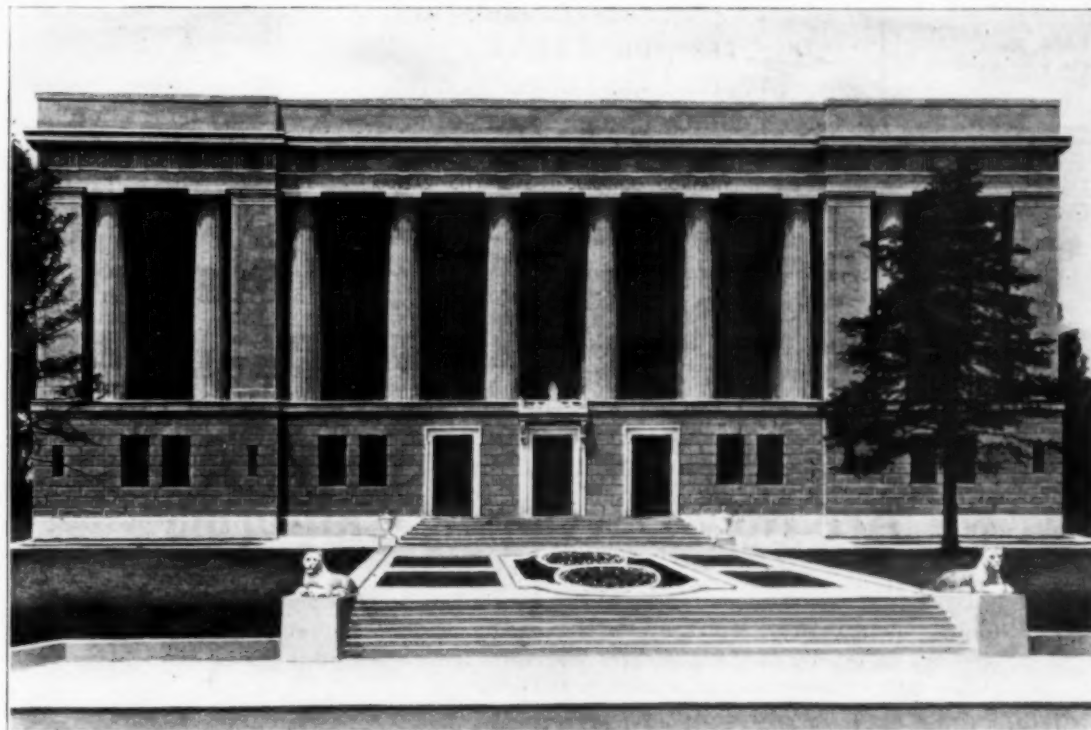


LEADING LIFE INSURANCE WEEKLY

The National Underwriter

LIFE INSURANCE EDITION

THURSDAY, JULY 31, 1924



REALIZATION

Time and intelligent effort toward a given point are powerful agents for accomplishment.

Twenty years ago, the Kansas City Life Insurance Company had little more than a principle and an ideal. The principle was to furnish protection on all standard forms of Legal Reserve Life policies at the lowest rate consistent with safety. The ideal was to build a Company in size and strength worthy of patronage and confidence of the people of the great rich territory which surrounded it.

Steadfast adherence to the soundest principles, and faith in the final achievement of our ideals, coupled with hard work and the strong-

est confidence and co-operation with our field department, have brought about a realization of our aims.

With \$270,000,000.00 of Insurance in Force, and over \$35,000,000.00 in assets, invested in sound securities, yielding an interest income of 6%, and added to that an agency organization, writing over \$70,000,000.00 of new business every year in a territory covered by 28 states is the strongest evidence.

The realization of our original purposes are finding expression in our completed New Home.

KANSAS CITY LIFE INSURANCE COMPANY

J. B. REYNOLDS, President



Lee R. James
Our new state manager
for California

The PEORIA LIFE INSURANCE COMPANY

offers to its agents
a program of constant
all-year-round service — the
practical kind of service that
makes them successful
and prosperous.



Co-operation
Headquarters
Peoria Life Home Office Building

1924

JULY

1924

SUN MON TUE WED THU FRI SAT

We Are Now Developing California

It has always been the policy of the Peoria Life to multiply the opportunities of its Agency Force by developing old territory and entering new territory as rapidly as circumstances warrant. In line with this policy, the Peoria Life recently secured admission to California.

A further policy of the Company has been to make all promotions from the ranks of its own agents. In line with this policy, Lee R. James, formerly district manager for eastern Iowa, has been made state manager for California. Mr. James has already begun the building of a live active agency, and has entered on the production of business in a fine large way.

It has never been the policy of the Peoria Life to disturb agents in their company relations. It is not our policy now. We are not interested in making contracts with agents of other life insurance companies. However, to agents handling other insurance lines, who contemplate a life insurance connection, or to men of your acquaintance outside the life insurance field who are looking for a real future, with every cooperation to assure success, we have something interesting to offer in California. Such men "may learn something to their advantage" by communicating with the Home Office, or with Mr. James at his offices, 726-7 Consolidated Building, Los Angeles.

PEORIA LIFE INSURANCE COMPANY—PEORIA, ILLINOIS

The National Underwriter

LIFE INSURANCE EDITION

Twenty-Eighth Year, No. 31

CHICAGO, CINCINNATI AND NEW YORK, THURSDAY, July 31, 1924

\$3.00 Per Year, 15 Cents a Copy

COMMISSIONERS ARE IN SESSION AT SEATTLE

National Convention Has Strong
Representation From Entire
Country

OPENS WITH MUCH GUSTO

Many Important Questions to Come
Before Four Day Session, Cov-
ering All Classes

BY FRANK A. POST

SEATTLE, WASH., July 30.—There were 35 states represented when the National Convention of Insurance Commissioners opened its annual session here Monday afternoon. The attendance was surprisingly large in view of the distance most of the commissioners have had to travel. Many of the departments have two or more representatives in attendance. The east and south have as good representation as the west. Mrs. M. E. Barr, deputy commissioner of California, who represents that state, was the only woman to respond to the roll call and was recognized by applause.

Wealth of Oratory

At the opening session addresses of welcome were given by Governor Louis F. Hart of Washington, a former insurance man, connected with one of the large agencies in Tacoma before his election as governor; Mayor E. J. Brown of Seattle and Fred G. Clark of this city, representing the insurance interests of the state, who paid high tribute to Commissioner Fishback and said the companies had found they could eliminate 90 percent of their troubles by going direct to the commissioner, telling him what they wanted and then settling things in a face to face talk. The response to the addresses of welcome was made by John C. Luning of Florida, now first vice-president of the Convention and scheduled for its next president, who traveled from the extreme southeast corner of the country to the extreme northwest to attend this meeting. President Fishback, who was the official host of the Convention as well as its presiding officer, made his annual address quite largely an address of welcome. He declared for cooperation as the keynote. He expressed regret at the passing of many familiar faces, but welcomed the new ones.

Discussed "Compulsory Liability"

The only formal address of the session was that by Commissioner Monk of Massachusetts on "Compulsory Automobile Insurance." He presented some rather strong arguments against state insurance, stating that on the general question of compulsory liability insurance he still had an open mind.

At the Tuesday afternoon session Clarence W. Hobbs, former Massachusetts commissioner and new special representative of the Commissioners Convention on the National Council on

FIRST MESSAGE FROM NEW NATIONAL PRESIDENT OF LIFE UNDERWRITERS

THE first message to the life underwriters of the country from the new president of the National Association of Life Underwriters, John William Clegg of Philadelphia, was that given at the banquet at the Los Angeles convention, which closed Friday. Mr. Clegg said:

"I believe that we all should be willing to lay aside our own convenience if the call comes to render service. One of the best things I ever heard a minister say—and I have heard lots of ministers say things—was this, that the part of you and me which does not belong to us is our influence. We make it but it belongs to others. Think of it. The thing that doesn't belong to you and me is our influence. How far it reaches, how broad it is cast, we can never tell.

Value of Human Life

"We have heard much during this convention, as well as all conventions, about the value of human life. I should judge roughly that these men here are worth as an economic proposition, the principal sum accumulated at 4 per cent interest, based on their earnings, two hundred millions of dollars. But I should like to direct your attention for just a moment to another value, which to me is higher than the value of human life, and that is the power in human life. What you think, what I think, what we read, those with whom we associate, the communions with our Creator,—these are the things which create within us a power which must necessarily be felt, either for good or for evil, what we are and what we hope to be. We are what we are and we will be what we hope to be, partly by the influence we have on one another. Therefore to me it seems very important in the direction of our lives that we should do those things which when our time of life has come to lay aside our earthly being, we may have this satisfaction, that while we are here we have made the world a little better, and when we have gone it is a little poorer.

Challenge to Service

"In our work it seems to me we have a challenge to render a service for the benefit of our fellow men which is peculiar to us. We are primarily not in a business. We are not, as I see it, primarily in the business of making money. That will follow if we render proper service.

"I am often reminded of two artists, one who produces a master piece by having his soul, that which he desires, placed upon a canvass to inspire and

instruct. The other merely produces his work for the dollars and cents. The latter never produced a master piece. The former in times past and in times to come will always produce master pieces. I believe that our greatest work here is the production of a life.

"Life, when you analyze it, when you think about it in its essentials, is very simple; but how complicated we make it!

Chance for Real Accomplishment

"During the coming year if you all just concentrate on the bigger or better things of life, if we try to make ourselves big in the true sense, big in our sympathies, big in our affections, big in our relations one to the other, we will feel, I am sure, that by the end of this year we may have accomplished something; we may have climbed one step in the ladder. But we who are called to this responsibility can not do it. We are only your servants, and in the contemplation of this call I realize the price that I must pay. I hope for and I am sure that you women and men will lend us your best thought, will lend us your cooperation, will lend us your sympathies; and in that you will be helping us to render a greater service to you and through you to our whole nation, by endeavoring to include in our membership, not 13,500, which I understand is the figure at the present time, but 30,000, which I understand is about the number of our full time life insurance representatives.

Must All Pull Together

"Let us all pull the boat together. Let us all be workers. If we have any criticism, let it be constructive criticism. It is easy to play the game on the bleachers. I have been on the bleachers myself, and I have been in the diamond myself, and I know perfectly well the man up in the bleachers can play the game much better than the man in the diamond. Don't let us do that, but let us have our sympathies with those who are striving and endeavoring and doing the best they can, because to my mind crime and all of those things in life which are unlovely arise not so much from premeditated wrong, but from lack of knowledge, from a lack of understanding.

"Let us all if we possibly can develop ourselves, and through ourselves and our influence, develop all of those with whom we come in contact, and then, and then only, may we have that joy and that pleasure in life which will be eternal."

Compensation Insurance, spoke on experience rating in workmen's compensation risks, answering some of the criticisms made recently of the plan now in use and explaining the details of that plan.

Clifford Ireland, director of trade and commerce of Illinois who was to have been the closing speaker, begged off on account of the lateness of the hour and said he would hand his speech in later for publication in the proceedings.

A resolution inspired by the direct

writing activities of London Lloyds in New York, Ohio and elsewhere, which urged the adoption of uniform laws in regard direct writing by unauthorized carriers and their strict enforcement in the various states, was introduced by Secretary Button by request. It had been expected that this resolution might precipitate some discussion of the subject but the resolution was promptly referred to the laws and legislation committee.

(CONTINUED ON PAGE 28)

LOS ANGELES MEETING DECLARED "BEST EVER"

Annual Convention of National
Association Met With United
Approbation

PROGRAM WAS PRACTICAL

More Useful Material Brought Out,
Applicable to Average Man,
Than Usual

Lawrence Priddy of New York, former president of the National Association of Life Underwriters, undoubtedly voiced the sentiment of the convention attendants as a whole, when he declared from the platform at the close of the 35th annual convention here last week that it was the best he had ever attended, "and I have missed only two of them in 25 years," he added.

Was Unusually Practical

There is no question that there was more material brought out that was useful to the average agent than at any convention in recent years. At the meeting of session leaders and speakers the night before the convention opened, they were emphatically advised by Edward A. Woods of Pittsburgh, chairman of the program committee to "lay off of the million dollar stuff." The only time that injunction was disregarded was in the early part of this morning's discussion on life insurance to protect estates, when it was almost inevitable that some reference to the big estates should be made. Incidentally that was the only time during the four-day session when there was the slightest flagging of interest. It was a matter of note that the crowd which thronged the theater where the sessions were held showed practically no diminution on the closing day from that which greeted the opening of the first session.

Applied to "Average Case"

Any loss of interest which might have been noted as a result of the introduction of the million-dollar cases was thoroughly counteracted when "Eddie" Woods immediately afterward brought forward a suggestion in connection with the estate discussions, which opened up a remarkably broad and practically unworked field for the life insurance man. He said:

"I want you to carry home this one idea, if you carry home nothing else. We have been talking about these million-dollar cases; forget that. Remember that the common man, the man who leaves \$1,000, \$2,000 or \$3,000 when he passes on, is the man who needs a small policy and I want you to go or send your agents to the probate court records of your own counties. Don't quote the Vanderbilt or the Astor or the Morgan estate but go after the small cases in your probate court records. There are 20,000,000 people in this country who ought to make wills, and most of them haven't made them. Every one of these people ought to carry some in-

insurance payable to his executor and in most cases the executor ought to be a trust company. A man ought to carry some insurance to liquidate his estate. Let's put a minimum on what he should carry. Let's make it \$1,000. That amount of insurance ought to be written tomorrow for all these people. There is \$20,000,000,000 of insurance you people ought to write tomorrow. Is that idea worth coming here for?

"If you people will carry home that one idea, that here is a brand new use for life insurance, every banker and trust company and wise lawyer is going to help you write that insurance."

Attendance More Than Gratifying

When Los Angeles was selected last year as the convention city, some doubt was expressed as to the attendance, but the closing of the registration books today showed 2,001 paid registrations and 32 complimentary, or a total registration of 2,033, as against 2,060 at Chicago last year.

The success of the convention is attributable primarily to the untiring energy of the Los Angeles life underwriters, who not only labored incessantly before and during the convention to keep everything running smoothly, but also furnished many valuable contributions to the convention program. The San Francisco-Oakland contingent was also a big factor and without Ben F. Shapro and his mountainous coadjutor, "Bill" Mouser, the convention would have lacked many of the features which made it the success it was. Hopes were expressed on all hands that they can be persuaded to attend the Kansas City meeting next year.

Closing Session Program

Aside from a talk by Lew R. Palmer, representing the National Safety Council, on "The Part Life Underwriters Play in National Conservation," the closing session was devoted entirely to estate settlement insurance. There were some valuable illustrative cases presented where life insurance might have been or was of value, but the notable features were the one-act play, "The Heart of the Estate," given by members of the Los Angeles association, and the demonstration on the formation of a life insurance trust given by Senator Louis H. Roseberry, vice-president of the Security Trust & Savings Bank of Los Angeles, and George A. Rathbun of the "Equitable Life at Los Angeles (both of which are covered in more detail in this issue). They were among the outstanding features of the convention. Edward A. Woods in that connection also gave a very interesting review of the Frick case at Pittsburgh.

Adopted Resolutions

Just before adjournment the convention adopted resolutions endorsing the work of the insurance department of the General Federation of Women's Clubs in arousing more interest in life insurance among women; approving the plan launched by the Nashville association for making the first Sunday in each year "Life Insurance Sunday"; getting in behind the campaign against drugs and narcotics conducted by the Anti-Narcotic League and thanking the Los Angeles people and others who had contributed to the success of the convention. A special vote of thanks was also given to Edward A. Woods of Pittsburgh for his work at this convention and throughout the years which he has been so prominently identified with National Association affairs.

Farmers & Traders Business Grows

Since the reduction in premium rates made by the Farmers & Traders Life of Syracuse, N. Y., Jan. 1, the business has been increasing rapidly, the production month by month being almost double that of 1923. Almost \$750,000 was written in June, and the production for July promises to run close to \$1,000,000. The company is extending its scope to include city business, having already entered the larger cities of New York, Pennsylvania and Ohio.

HISTORY OF THE BLANK

H. PIERSON HAMMOND SPEAKS

Gives the Development of the Gain and Loss Exhibit Before Insurance Commissioners Convention

SEATTLE, WASH., July 30.—H. Pierson Hammond, former actuary of the Connecticut insurance department, who is now connected with the Travelers, read a paper before the Insurance Commissioners Convention in annual session here on "The History of the Development of the Gain and Loss Exhibit of Life Companies." The gain and loss exhibit was adopted in 1895. The Insurance Commissioners Convention in its annual meeting in 1895 referred to the gain and loss exhibit, this being the first reference to it in any convention proceedings. At the convention in 1896 an ineffectual effort was made to eliminate the exhibit from the life statement blank. In the convention in 1898 at Milwaukee, President John A. McCall of the New York Life, after reviewing some of the failures of life companies suggested certain safeguards among which was "The close study of a company's business on the principles of the gain and loss exhibits now required by several insurance departments."

Action at Columbus Convention

At the convention of 1902 in Columbus, the forerunner of the present uniform convention edition of a life blank was adopted. A motion to include a gain and loss exhibit in this blank was defeated. At the convention in 1903 in Baltimore a motion to include a gain and loss exhibit was again lost and at the convention at Bretton Woods in 1905 a similar motion was made and lost. During this period, while these discussions were in progress, a gain and loss exhibit was required intermittently by Minnesota and Wisconsin. In the case of Connecticut the exhibit was consistently required.

Result of New York Examination

The question of the gain and loss exhibit came up during the New York investigation in 1905. Testimony was taken with reference to the attitude of the New York department towards the exhibit. Bills introduced in the New York legislature following this investigation included the requirement of a gain and loss exhibit. Prior to the passage of this law, and as a result of the Wisconsin investigation, which had been going on, a law was passed in that state, making the gain and loss exhibit an annual statement requirement. This was the first law of the kind in the country.

At the Insurance Commissioners Convention in 1906 at Washington the gain and loss exhibit was adopted in practically its present form.

Business Materially Increased

From 1906 to 1919 there was no particular agitation in reference to the gain and loss exhibit. The business of life insurance increased very materially during this era and became more diversified and complicated. A single life company might be writing not only regular standard business, but sub-standard, industrial, group, total and permanent disability, double indemnity, annuities and reinsurance. The basic standards which were once satisfactory have been outgrown. Different forms of gain and loss exhibits appeared.

A special committee of the Insurance Commissioners Convention, after the meeting of 1919, was appointed to take up the question of the revision of the exhibit. It recommended a revision and included a set of instructions to bring about uniformity of methods. Committees of the American Institute of

MANY GROUP POLICIES

METROPOLITAN LIFE LIST

Brief Explanation Is Given as to Some of the More Important Recent Contracts

Great Northern shop craft employees, under a policy recently issued, have increased their group insurance protection in the Metropolitan Life by approximately \$3,500,000, the coverage being equally divided between life insurance and death and dismemberment. Upon the issuance of this new policy the total amount of Metropolitan group insurance in force among the Great Northern employees advanced to more than \$18,000,000. Under the new policy each insured shopman is protected by \$1,000 life insurance, \$1,000 death and dismemberment insurance and in addition, a health and accident clause provides for a payment of \$10 weekly benefit.

Employees of the Ortega and Milldale branches of the Putnam Lumber Company, of Jacksonville, Fla., have purchased Metropolitan group insurance for a total coverage of \$385,000. The policies were issued on a contributory basis and the lives of about 500 employees were insured.

Koppel Employees Insured

Another group case recently closed by the Metropolitan was that of the Koppel Industrial Car & Equipment Company, of Koppel, Pa., near Pittsburgh. Two hundred and fifty employees are insured under this policy which was issued on a contributory basis for a total life protection of \$300,000.

Metropolitan group insurance totaling \$170,000 has been placed at the Union Tool Company's West Chicago, Ill., and Carnegie, Pa., plants. The policies were written on a contributory basis.

The Metropolitan has written a \$110,000 contributory group policy on the lives of 95 employees of the Pattillo Lumber Company, of Atlanta, Ga.

More than 100 employees of the Hotel Stewart, operated by Stewart Estate Company, of San Francisco, have been insured under a Metropolitan contributory group policy for \$140,000 life protection, the individual coverages ranging from \$1,000 to \$3,500.

Other Group Cases

Other recent group cases of the Metropolitan are:

Weiland Packing Company, Phoenixville, Pa.; life insurance contributory; \$90,000 accident and health benefits, \$10 weekly.

Brett Lithographing Company, Long Island City, New York, additional life insurance, \$76,000; contributory.

S. Vessot & Company, Joliet, Quebec; machinists and pattern makers, \$65,000; non-contributory.

Actuaries and the Actuarial Society of America recommended a form showing the total gain and loss in each branch of the business. This suggestion arose probably because of the existing diversity in the life insurance business today. The contention was that if, for example, the group branch was being charged sufficient premium, or if the disability and double indemnity benefits are being used and issued successfully the exhibit proposed by the actuarial societies committees would show it, and also indicate whether or not each branch is being conducted along proper lines. The special committee of the Insurance Commissioners Convention in its final report recommended a revision of the gain and loss exhibit and in addition required an exhibit of the changes in surplus according to classes or lines of business. It will be effective June 1, 1925. The paper is a very valuable historical document.

GIBBS CASE SETTLED

LONG LITIGATION IS ENDED

Compromise Agreement Closes All But One Policy of \$500,000 Total on Missourian's Life

A compromise under which the Missouri State Life, the International Life of St. Louis and the Kansas City Life will settle their policies carried on the life of Lonnie Gibbs, cashier of the defunct Kirksville Trust Company, Kirksville, Mo., on the basis of 65 percent of the face of the policies was effected in the circuit court at Kirksville last week. The compromise was largely due to the efforts of Morton Jourdan of Jourdan & English, counsel for the Missouri State Life, who successfully opposed the efforts of State Finance Commissioner Millsbaugh to collect the face value of the policies involved: Missouri State Life, \$125,000; International Life, \$5,000, and Kansas City Life, \$16,000.

Other Policies Settled

Prior to this settlement insurance on Gibbs' life had been collected to the extent of \$230,000 on incontestable policies as follows: Metropolitan Life, \$120,000; Mutual Benefit, \$100,000, and National Assurance, \$10,000. Insurance for \$44,000 was also paid to his wife. In addition he carried a \$75,000 policy with the Aetna Life, litigation over the payment of which is now pending in the federal courts. It was in connection with the legal battle over this insurance policy that Superintendent Ben C. Hyde had an encounter with the Aetna over its license.

Negotiations for a settlement have been under way for several months. Millsbaugh at the outset insisted on the payment of the insurance in full. He was interested, as the bank is now in charge of the state finance department and the parents of the dead cashier had assigned their interest in his insurance to pay off the creditors of the bank to the extent of \$500,000. The insurance companies' first offer was to pay 50 cents on the dollar. Finally, however, Millsbaugh agreed to accept the final offer of the companies, 65 cents on the dollar of the face value of the policies.

Was Ranking Case

The Lonnie Gibbs case ranks among the most famous of all Missouri insurance disputes. Gibbs represented the best element among the business men of Kirksville and vicinity. He was prominent in church circles and generally respected. He was cashier of the Kirksville Trust Company, the leading financial institution of that district. But it was not generally known that the bank was in desperate financial circumstances until March 17, 1923, when Gibbs walked into the bank vault and blew out his brains. It was later discovered that he was short in his accounts approximately \$468,800. In checking up on his insurance it was found that Gibbs carried about \$500,000 of insurance. Some estimates placed his policies at \$600,000. Of this insurance \$44,000 was made payable to his wife, and the balance to his parents. He also had applications pending for \$50,000 additional insurance, but this was not put through. Frank W. Gibbs and Emma Gibbs, mother and father of the cashier, assigned the insurance to the extent of \$500,000 to the creditors of the defunct financial institution.

Anderson Has New Booklet

Stewart Anderson, manager of the Bureau of Field Service, Penn Mutual Life, has just written an interesting booklet entitled "Your Executor's Shoes," showing with detailed facts and figures how life insurance effects a big saving in the cost of settling an estate.

BIG SALES THE SECOND QUARTER OF THE YEAR

Interesting Figures Are Given Out by Life Insurance Sales Research Bureau

GOOD RECORDS ARE MADE

For the First Six Months of 1924 Increase Was 9 Percent Over 1923 Period

HARTFORD, CONN., July 30.—Sales of ordinary life insurance in the second quarter of this year were higher than in any other quarter on record, according to the Life Insurance Sales Research Bureau.

Sales of life insurance in every month this year have been higher than in the corresponding month a year earlier, but the amount of increase over last year has been falling off. In June, sales were only 1 percent greater than a year ago. For the first six months the increase over last year was 9 percent.

Twenty Millions a Day

In actual figures, the paid for business of companies which have in force about 88 percent of the total business amounted to \$1,892,243,000 of insurance during the past three months. This compares favorably to \$1,783,261,000, the amount sold in the same period in 1923. Sales from January to July first this year amounted to \$3,644,942,000. This means that an average of \$20,000,000 of ordinary insurance has been purchased each day this year.

For the year to date, the Middle Atlantic and the Pacific States led the rest of the country in their gain over last year. The increase in each case was 16 percent, but the rate of gain in each section declined in the past quarter. The East South Central district, where sales fell 4 percent under last year's figure, shows a decline from 1923 for the first half year.

Boston, Chicago, Cleveland, Detroit, New York and Philadelphia all report increases for this year over last year both in June sales and in sales for the six months ending June.

Life Insurance Sales in Canada

The amount of ordinary life insurance paid for continues to gain over last year at a higher rate in Canada than in the United States. Companies which had in force over 83 percent of the legal reserve business as of Jan. 1, 1923, reported an actual volume of sales for June of \$34,295,000, as compared to \$31,865,000 in June, 1923, an increase of 8 percent. This is the smallest increase for any month of this year as compared to last year, but a decrease of less than 1 percent from March sales, which were the highest for any month of this year.

First Six Months' Sales

Sales for the first half of this year amounted to \$196,031,000 as compared to \$172,252,000 for the similar period of 1923, an increase of 14 percent. Sales for the twelve months ending June, 1924, were \$389,626,000, as compared to \$341,933,000 for the twelve months ending June, 1923, an increase of 14 percent.

The cities of Hamilton, Ottawa, and Vancouver show decreases in June sales for this year as compared to those of last year; but Montreal, Quebec, Toronto and Winnipeg show increases, Quebec leading with 66 percent. For the first six months of this year, as compared to the same period of last year, all these cities report increases, ranging from 8 percent for Ottawa to 61 percent for Quebec.

NEW COMPANY FORMED

TO BUY OTHER ORGANIZATIONS

J. L. Babler of St. Louis Launches Holding Company, Starting with Purchase of Interstate Casualty

ST. LOUIS, MO., July 29.—Jacob L. Babler, organizer of the International Life and former vice-president and general manager of agencies of that company who recently disposed of his interests in the International to a group controlling the Standard Life, has announced the organization by himself and associates of the North American Company of St. Louis, a holding company to purchase the control of fire, life and other insurance companies with a view of disposing of the business by reinsurance and the liquidation of their assets. The North American Company of St. Louis is a Delaware corporation with an authorized capitalization of \$25,000 common stock and \$2,475,000 preferred stock. It has opened general offices in rooms 1801-1802 Railway Exchange building, St. Louis, Mo. Mr. Babler has associated with him many well known bankers and insurance officials and is assured of unlimited financial backing for handling his deals contemplated.

Purchase Control of Interstate

Mr. Babler has also announced the closing of the first big deal for his new company, the purchase of 57 percent of the outstanding capital stock and control of the Interstate Casualty of St. Louis. This company will continue under new management; the agency organization will be enlarged and new territory entered. The principal offices will be maintained in St. Louis and application will be made immediately for a license to do business in Missouri. The Interstate Casualty, it is announced will make a special drive for reinsurance business and excess line insurance.

J. B. McCutchan has resigned as vice-president of the Interstate Casualty and has been succeeded by J. D. DeBuchanan, secretary of the North American Company of St. Louis. L. J. Albert, Jr., and Thomas J. Hoolan become members of the executive board while Emil E. Brill former assistant auditor of the International Life will be treasurer of the Interstate Casualty. D. B. Lightner continues as secretary and Chester Newman as president. The Interstate Casualty was originally located in Birmingham, Ala., but the principal offices were removed to St. Louis several weeks ago when the company purchased control and took over the American General Indemnity.

Connected With Many Deals

Mr. Babler, with Massey Wilson, former president of the International Life, organized the International Life Holding Corporation in 1920 with a paid-in capital of \$2,000 for the 2,000 shares of common stock and authorized capital of \$4,998,000 of preferred stock. It is reported that Mr. Babler and Mr. Wilson sold their holdings in that corporation in the recent Standard Life-International deal for \$750,000.

During the time that Mr. Babler was associated with the International Life Holding Corporation that company acquired control of the Gulf Coast Life Gulfport, Miss., and sold its assets and business. In conjunction with the International Life it purchased a majority of the stock of the Continental Life and sold it to the present management which brought the company to St. Louis. Later the International Life Holding Corporation acquired all of the capital stock of the Montana Fire, Butte, Mont., and liquidated the company. It also financed the purchase of a majority of the outstanding stock of the Indiana National Life, Indianapolis, Ind., and sold its business and assets. It acquired

NO ACTION WAS TAKEN

GAIN AND LOSS EXHIBIT UP

Perennial Topic of Commissioners' Convention Was Long Considered at Seattle Meeting

By FRANK A. POST

SEATTLE, WASH., July 30.—The question of a revision or entire elimination of the gain and loss exhibit in the annual statement blank, which has been an ever-recurring problem for the past 30 years, came up at today's session of the Commissioners' Convention in connection with the address on that topic by H. Pierson Hammond, former actuary of the Connecticut department. The convention went into committee of the whole to allow company representatives to present their views if desired.

James D. Craig, actuary of the Metropolitan Life, said he was convinced that it was of no value to his company and that department actuaries had also agreed that it was of no value to them as regards that company but that it was willing to continue spending the \$6,000 a year required for its preparation if the commissioners wanted it. He thought that there should be a general consideration of the matter by department actuaries to determine just what its value is, a suggestion which was heartily endorsed by W. M. Corcoran, actuary of the Connecticut department. Mr. Craig said that within a very few years 47 life companies had gone out of business in 20 states and that even in cases where the gain and loss exhibit showed that the companies were going over, he could not see where it had accomplished anything.

Henry F. Tyrell of the Northwestern Mutual Life read a letter which had been sent by M. J. Cleary, vice-president of that company, former Wisconsin commissioner and former president of the convention, to Grady H. Hipp of the New York department, secretary of the blanks committee of the convention. In that letter Mr. Cleary stated that he regarded it as an important and useful part of the annual statement calculated to increase the public confidence in the soundness and equity of the companies. He said that the fact it might be misused was not a sufficient argument against it. The matter was referred to the executive committee for action at the December meeting.

NOW TO WRITE SUBSTANDARD

Pacific Mutual Announces It Will Shortly Be Able to Write Under Average Risks

LOS ANGELES, CAL., July 30.—The Pacific Mutual Life in announcing that the company will shortly entertain applications on substandard risks makes it certain that such business will only be accepted from regular agents of the company and that no brokerage business of this sort will be accepted.

Reliance Life Conventions

The Reliance Life of Pittsburgh will hold three agency conventions, two in September and one in October. The first will be at the Edgewater Beach Hotel, Chicago, Sept. 10-12, and the second will be at Colorado Springs, Colo., Sept. 15-17, and the third at White Sulphur Springs, W. Va., Oct. 6-8.

the outstanding stock of the Guardian Fire of Salt Lake City and liquidated its assets.

The North American Company of St. Louis has several other deals hanging fire which are expected to be consummated very shortly. However, for the time being details of these deals naturally must be withheld.

TAKE UP "DISABILITY VERSUS H. & A. COVER"

Insurance Commissioners Thresh Out Smith's Suggested Changes at Convention

NO ACTION WAS TAKEN

Wealth of Material in Defense of Life Insurance Feature Was Presented

By FRANK A. POST

SEATTLE, WASH., July 30.—The proposal made by Commissioner W. Stanley Smith of Wisconsin at the Pinhurst meeting of the Insurance Commissioners Convention for changes in the total and permanent disability clause now generally used by life insurance companies on the ground that it really covered temporary as well as permanent disability and was therefore invading the field of the accident and health companies, was taken up at a public hearing of the laws and legislation committee of the convention here today. Commissioner Smith was not present and had no one here to represent him or present his side of the matter. Arguments against the proposed changes were made by a number of company representatives and at the conclusion of the hearing the committee voted to defer action on the matter until the December meeting.

Dunham Defended Clause

The principal argument in defense of the clause as it now stands was made by Frederick G. Dunham, counsel for the Association of Life Insurance Presidents. He reviewed the history of the disability clause and the rapid increase in the number of companies writing it. He said it was officially recognized by most commissioners and had been one of the greatest factors in increasing the sale of life insurance. To show the value placed upon it by policyholders, he referred to the fact that 60 to 90 percent of the new ordinary business is written with that clause and 30 percent of that outstanding, including policies written before its adoption. He stated that the development of the form had not yet been completed and it had not crystallized to a point where the principle or practice could properly be defined by statute. In reply to a question from Commissioner Kendrick of Iowa as to whether there were any standardized tables used in writing total disability business, Mr. Dunham said that the table prepared by Arthur Hunter was generally used and added that a committee from the Actuarial Society of America, of which Mr. Hunter is chairman, is now making a comparison of the actual experience of the companies under the disability clause with the expected under the tables now used. It was stated further that it would probably take a year to complete the investigations along this line.

New York Companies Represented

Major A. E. Tuck of the New York Life presented a brief on behalf of that company, the Mutual Life and the Equitable Life of New York, all of which use the 90-day clause, answering the criticism of that clause which had been made by Commissioner Smith. Commissioner Beha of New York asked why the 90-day period had been selected. Secretary Pierson of the New York Life said that the 90-day clause eliminated most of the temporary disabilities. It was admitted that necessarily there were some cases which are really temporary and later recovered that were

paid under this clause, but it was regarded as the most satisfactory and convenient administrative method.

Phineas Henry of the Equitable of Iowa questioned Commissioner Smith's claim in citing the Wisconsin statutes that those of other states were similar. He said that under any clause fixing a time limit there may be recoveries but that a provision requiring iron clad proof of permanent disability would mean much more trouble for the companies. Commissioner Beha suggested that the committee would be glad to hear from Henry F. Tyrrell of the Northwestern Mutual Life in view of the fact that that company did not write the disability clause. Mr. Tyrrell said he had no interest whatever in the controversy, that Commissioner Smith had made his suggestion without consulting him on the subject.

Commissioners Express Views

Request was made for an expression of opinion on the part of other commissioners present. Commissioner Clark of Vermont said he was not a lawyer but that from the standpoint of common sense he thought that it was one of the finest things ever instituted in life insurance. In regard to the 90-day clause, he said that in making any contract he would want to know what he was contracting for. He thought that anything that added to definiteness would eliminate controversy. Commissioner Monk of Massachusetts asked whether there was not a growing tendency for the life companies also to write accident and health insurance and referred to the advocacy of combined coverages by a recently retired commissioner whom he refused to designate further. "I doubt it," said Mr. Dunham, who added that the arguments advanced in regard to practices in other countries were the result of a misapprehension of conditions in those countries.

To "Insure Insurance"

Commissioner Beha said that as he understood it the fundamental idea of the disability clause at any rate was to insure the insurance and not to write health and accident. Commissioner Caldwell of Tennessee asked whether the clause was not being written in some cases at a nominal rate not sufficient for the coverage granted and virtually amounting to a rebate. In reply Mr. Dunham declared that the supervising officials had power to see that the premium is adequate. Dr. S. S. Huebner of the University of Pennsylvania, who was introduced by T. W. Blackburn, secretary of the American Life Convention, gave a strong argument for the disability clause which he said he always had felt was an integral part of life insurance, protecting against the loss of life values and "economic death".

Take Up Newspaper Policies

The question of the so-called newspaper policies, both life and accident which had been referred to the committee at the midwinter meeting was brought up by Commissioner Wells of Minnesota, who was presiding as chairman. Commissioner Caldwell of Tennessee said he had withheld permits for all such policies in Tennessee and strongly opposed them. Commissioner Wells said he believed they were reaching a class of people who might not be reached otherwise and served a useful purpose. He suggested that the rate seemed to be adequate and the only question in his mind was the lack of medical examination. Mr. Caldwell in reply declared that the rate was based on that for group insurance and that he could not see where an aggregation of subscribers to a daily paper conformed to the requirements for group insurance. No action was taken on this question by the committee.

The agents of the Metropolitan Life at Evansville, Ind., with their families and friends to the number of several hundred, recently gave a picnic at Pleasure Park, Evansville. The affair was arranged by A. L. Holland, superintendent of the company at Evansville.

NEWLY ELECTED NATIONAL PRESIDENT HAS LONG RECORD OF ACHIEVEMENT

JOHN WILLIAM CLEGG, new president of the National Association of Life Underwriters, embarked upon his life insurance career Nov. 1, 1891, as an office boy in the secretary-and-treasurer's department of the Penn Mutual Life and has remained with that company ever since. He was a clerk for 17 years.

The turning-point in his life came in 1909, when he entered the field as a salesman, after some hesitation over giving up a regular clerk's salary for the varying income of a life underwriter. At that time the Sheldon Scientific (Correspondence) Course in Salesmanship, costing \$50, was about the only training in salesmanship available. Mr. Clegg studied this course and applied it so successfully that his first year's income as an underwriter exceeded the salary he had been receiving.

Big Personal Producer

Building one success upon another, he now has to his credit about \$9,000,000 outstanding in business he has written. He writes all kinds of life insurance but specializes on ordinary life. He insists that a sympathetic knowledge of the prospect's needs is the foundation of real life underwriting.

Mr. Clegg's leadership qualities were manifest years ago when he was elected president of the Philadelphia Association of Life Underwriters. He is a tireless worker for the association and has held a number of offices and committee posts. Only last June he was unanimously elected to the important position of chairman of the executive committee. He was chairman of the Financial Committee for each of the four Philadelphia Sales Congresses.

Good Platform Man

He is a convincing speaker, relying upon facts and common-sense appeal rather than oratorical flights, and has addressed many sales congresses and other gatherings. He served a term as president of the Penn Mutual Home Office Agency Association.

Personally, he is sturdily built, lives in the Chestnut Hill suburban district of Philadelphia, has a lovely wife and



JOHN WILLIAM CLEGG
New President, National Association of
Life Underwriters

two children, carries more than \$100,000 on his own life and is active in religious work.

Clever One-Act Playlet Was Convention Feature

ONE of the most interesting features of the closing session of the National Life Underwriters convention at Los Angeles last week was the one-act playlet, "The Heart of the Estate," written, staged and presented by a cast composed of members of the Los Angeles association, but all with former professional stage experience. It depicted a scene in a safe deposit vault, where an attorney was helping a widow go through the husband's papers. After the search seemed to reveal a hopeless situation, the discovery at the bottom of the box of life insurance policies taken out without the knowledge of the widow and in the face of her opposition, which saved the day. The attorney is so impressed that he at once arranges an interview to secure similar protection.

All Underwriters, Former Actors

The play was written and staged by Louis Ullman of the New York Life, an experienced producer. George W. Ayars, also of the New York Life, president of the Los Angeles association, who took the part of the attorney, was on the Orpheum Vaudeville circuit for a number of years as a monologist, and Alice M. Irish of the Pacific Mutual, the widow, was also formerly on the stage, being known professionally as Alice Moore. The two children in the case, Inez Welling and Paul Ferguson,

Franklin Life Passes Fortieth Anniversary

THE Franklin Life passed its 40th anniversary Wednesday and the occasion was marked with a "business as usual" atmosphere in the office, the only event being the conclusion of the sales contest in which 600 representatives are entered. The Franklin Life was organized March 4, 1884 in this city and chartered July 23 of that year. Henson Robinson was the first president, serving until 1887 when he was succeeded by David T. Littler, who remained in office until his death in 1899. Henry M. Merriam, who had been vice-president in charge of the company's investments nine years succeeded to the presidency in November, 1922, upon the death of George E. Stadden. In 1913 the company erected its present home office building. Eight of its principal officers have an average service of 23 years each. The Franklin Life has more than \$16,000,000 assets and more than \$100,000,000 business in force. In another decade the company expects to have \$500,000,000 business in force and its program is laid out to this end.

are both children of Los Angeles Life Underwriters.

The play itself and the acting were so effective that the widow's grief actually brought tears to the eyes of many of the supposedly "hard boiled" life insurance men in the audience.

AGENTS IN CONVENTION

GREAT GATHERING OF CLAN

Kansas City Life's Honor Men Are at Home Office for Their Annual Round-up

KANSAS CITY, MO., July 30.—The agency conference of the Kansas City Life for 1924, opened Tuesday afternoon, in the beautiful room specially provided for meeting in the new home of the company. There are about 200 general agents and "Hundred Thousand" men, and about 100 women are also present, wives of the agents. The men are highly enthusiastic over the new building though that doesn't exactly express their feelings. They are inspired and seem to feel a degree of loyalty and devotion stimulated by the surroundings in which they now find themselves at the home office, that surely must measure up to the vision of President J. B. Reynolds for its influence on the personnel.

Comment on New Building

The first session was opened by W. G. Hunter, who referred to this as the most important agency conference in the history of the company. He declared that the men gloried in the fact that this new building would stand forever as a monument to the men who founded and built the company, and to the men in the field who perpetuate its service. Frank Barr, vice-president and agency superintendent, commenting on the new home as the realization of the dream of company officials and agents, also referred to it as a monument, both to President Reynolds and to the agency organization.

Company Made Steady Progress

He commented on the substantial advance of the company and its standing even though it operates in fewer states than many others. He mentioned some of the agents who had made distinguished records the past year, a much larger number than ever before he said. Mr. Barr suggested that the company was growing substantially, and would need more men for higher positions, who were being looked for within the present organization. He promised the agency organization that with the ample space now available for present needs and future growth, the company's plans for education and agency work would now be carried out.

Dr. H. A. Baker's Talk

Dr. H. A. Baker, medical director, made the report that the quality as well as the quantity of business was improving, and that a still further gain had been made the past year in the ratio of business issued as applied for. In the past six months of this year, the ratio issued as applied for is 90.9 percent. He complimented the agency force on its obvious attention to careful selection of clients, since to this alone the increased ratio was due, the medical requirements being not at all modified or relaxed. Dr. Baker gave a careful analysis of total disability business suggesting that the company was extremely cautious in this line since it was aiming to build a real life insurance business. There were conferences later in the afternoon between the visiting agents and the executives. The program will culminate Friday in the dedication of the new building.

Peoples Life of Indiana Meeting

The annual agency meeting of the Peoples Life of Indiana will be held at the home office at Frankfort August 28-30. This company has entered Arkansas, Iowa, Tennessee and Texas. All business of the Century Life which was reinsured by the Peoples Life, will be moved to the Peoples Life office Sept. 1, 1924. Changes in rates and disability clause will be made on August 15.

MUTUAL TRUST LIFE MEN IN CONVENTION

W. F. Shanahan, General Agent
at Lynn, Mass., Tells About
Getting the Prospects

TALKS BY THE OFFICERS

Men in the Field Give Their Experiences and Furnish Ammunition
for Selling Talks

At the agency meeting of the Mutual Trust Life of Chicago at the Hotel La Salle in that city last week William F. Shanahan, general agent at Lynn, Mass., was the first speaker Thursday morning, having as his subject "Securing the Prospect." Mr. Shanahan said that old policyholders were the most prolific sources of new business. He stated that as well known as this fact is to life insurance men, it is nevertheless true that the average life salesman does not make as much effort as he should to get leads and names from his policyholders. Mr. Shanahan stated that every agent has found in writing a policy that his new policyholder carries some \$5,000 to \$10,000 of life insurance in from five to ten companies. It is seldom that a man is found who carries all of his life insurance in one company and who has given all of his business to one agent. Most agents write a prospect and then neglect him, with the result that his additional insurance is given to whomsoever happens to solicit him.

Use of Circulars

Mr. Shanahan said that he had secured many good prospects through circularizing. The results from circularizing are poor indeed if the list is obtained only through a telephone book. Mr. Shanahan said the best method is to secure the poll list of voters, which can be secured at the city hall in most cities. His method is to secure such a list and to check over to find the names of those between the ages of 21 and 45, these being regarded by Mr. Shanahan as the best prospects. Then those in hazardous or undesirable occupations, such as aviators, locomotive engineers, letter carriers, etc., are eliminated. After this the list is sent to the home office, which sends out letters, enclosing a return post card. Upon this card the prospects who signed set down the date of their birth, the business address and a few other facts, furnishing all the data that is necessary in order to make an intelligent call. Out of those who sign these cards, Mr. Shanahan calls first upon those whose age is soon to change.

Building Up Prospect List

From friends and acquaintances Mr. Shanahan said that he gets a large number of names. He never places a policyholder that he does not get a name of a good prospect. Some business men hesitate to give the names of their friends, but are perfectly willing to furnish an agent with the names of other business men who are successfully engaged in the same line of business.

Mr. Shanahan uses extensively the blotter system, sending out to a selected list a certain number of blotters each month. Advertising of this kind, Mr. Shanahan said, does not bring quick returns, but it paves the way for later calls. The head of a firm who has been getting a blotter for six or eight months would at least give the agent an interview when he calls. He feels friendly toward the agent, is familiar with the name of his company and will often exhibit a friendly attitude, even though he will not purchase life insurance himself. Mr. Shanahan has found

COST OF SETTLING ESTATES AS SHOWN BY COURT RECORDS

TWO striking tabulations covering the question of estate protection through life insurance were distributed at the session of the National Association of Life Underwriters at Los Angeles last week which was devoted to that topic. The first was a survey of estates prepared by Dan Nelson, from actual court records which takes into account the various sections of the country, showing the gross estate, amount of cash left, the taxes and debts and the net estate—the balance for the legatees as subjoined:

The second table, prepared by Mansin B. Oakes of the Insurance Research & Review Service, is also printed in this issue.

Paul F. Clark of the John Hancock Mutual in Boston, who presided at that session referred further to a third compilation by Mr. Nelson, which shows some striking figures.

"Here is a case taken from actual records," he said, "the estate of Kate Whitman, who died May 14, 1921, in Cincinnati. Mrs. Whitman left 45,296 shares of stock all appraised and of no value in 80 different corporations. Out of the total value of this estate, \$1,365.35 which was the actual cash value after appraisal was made, \$404.19 was for debts and expenses, leaving a balance of \$961.16, which was divided among her sister and three nieces. The big point, however, is that she owned over 45,000 shares of stock which were valueless, all of which were shown on this sheet. Any of us might be the owners of any of these stocks which are shown here. One of the principal attorneys in Boston told me that on a survey he had made, only one out of 85 companies organized ever

Actual Court Records of Costs of Settling Estates

Gross Estate	Percent for Debts and Expenses	Balance for Distribution
\$ 1,011.24	50	\$ 502.94
1,329.07	54	606.34
1,365.35	30	961.16
1,529.22	39	962.59
2,048.00	64	734.18
2,315.91	66	803.11
2,500.00	40	1,502.31
2,994.00	73	814.90
3,274.00	49	1,641.11
3,408.76	22	2,676.41
3,584.00	76	864.75
4,247.00	17	3,521.50
4,582.25	12	4,019.40
5,106.10	41	3,022.84
5,856.65	90	641.36
5,919.82	19	4,778.44
6,057.35	45	3,454.48
6,110.90	49	3,097.11
6,300.00	79	1,296.00
6,524.82	48	3,386.31
7,441.30	25	5,534.52
7,544.65	34	4,929.60
8,529.62	32	5,800.00
9,818.97	32	6,603.42
10,501.18	46	5,714.57
10,930.43	80	2,178.15
11,394.59	72	3,131.09
11,554.90	32	7,783.41
12,142.13	51	5,897.52
12,378.37	28	8,903.55
14,479.25	17	13,642.64
17,530.48	13	15,210.00
22,844.56	20	18,178.32
26,392.00	12	23,069.76
34,311.00	12	30,012.30
35,974.91	9	32,696.44

These costs do not include shrinkage from compulsory sale of assets in order to meet these obligations.

brings up its stocks to any value,—which just about checks up with this statement."

Name	Gross Estate	Cash	Taxes	Debts
PITTSBURGH				
Dupuy, Harry W.	\$2,047,586.72	\$17,355.66	\$ 332,341.16	\$ 396,714.88
Gliven, Thomas H.	6,842,383.51	18,049.62	785,514.37	2,145,208.63
Holmes, Eleanor K.	1,553,439.05	10,652.16	237,070.70	4,231.36
Horton, Theodore M.	273,047.97	373.89	24,833.19	17,762.11
Kaufmann, Isaac	4,116,366.52	25,611.22	381,970.44	991,237.67
Knox, Philander C.	1,329,574.52	16,280.26	129,017.71	106,324.44
Lange, J. C.	232,383.56	None	8,933.91	6,445.79
Lyle, George	369,894.71	None	15,594.91	None
Marvin, Earl R.	375,373.02	3,463.93	14,563.52	471,463.02
Porter, Henry K.	1,270,395.85	8,552.28	154,438.86	12,911.11
Showalter, James R.	279,542.54	393.61	26,166.56	19,079.16
Wood, Joseph	1,019,283.08	4,915.41	74,799.97	1,224.31
COOK COUNTY, ILL.				
Morris, Seymour	189,839.73	534.28	4,533.23	110,780.26
Paebcke, Herman	2,680,343.76	182.56	164,188.18	1,482,095.09
Rothschild, G. M.	5,970,452.30	278.31	1,332,944.33	117,935.38
Stein, Philip	1,083,243.24	1,209.68	153,263.22	62,211.86
Swift, Anna M.	7,055,693.74	13,362.40	880,180.85	1,855,971.80
Werner, Eric	676,005.19	141.00	67,828.00	56,332.54
NEW YORK				
Delano, Eugene	1,375,675.76	1,047.47	128,627.24	8,235.60
Healy, A. Augustus	1,724,439.37	2,745.35	108,475.26	3,419.77
Muschenheim, Wm. C.	699,109.65	661.45	65,652.46	8,059.42
CLEVELAND				
Bing, Louis S.	475,202.89	414.03	34,942.16	110,092.39
Leachout, Albert R.	963,067.60	650.00	.....	73,900.50
CINCINNATI				
Faber, Oscar A.	117,346.00	52.00	4,807.51	5,699.68
Freiberg, J. Walter	1,021,651.50	None	.....	163,332.76
Huffner, Jacob	519,464.49	453.35	30,665.35	4,750.00
Mooney, Jas. E.	2,764,855.35	50.00	537,739.02	81,535.71
Neave, Alice	112,592.20	190.82	9,708.80	None
Pendleton, Charlotte	132,329.56	168.07	.....	3,564.16
Rollman, Samuel	180,320.38	402.54	.....	1,235.00
Shaw, Ruth D.	252,010.47	342.21	.....	4,155.70
Straus, Samuel	105,716.52	511.34	.....	2,352.58
Vogel, Alfred	809,270.22	None	.....	102,820.74
DAYTON				
Carr, Sylvester H.	509,427.12	None	26,517.33	34,464.94
Richter, Elizabeth	222,046.17	333.43	.....	19,606.00
Schultz, Geo.	196,368.89	213.34	.....	22,570.00
TOLEDO				
Baumgardner, E. W.	1,049,099.50	None	74,783.63	None
COLUMBUS				
Norris, Chas. E.	243,332.96	None	9,478.80	11,434.08

These figures do not include shrinkage of estates caused by forced liquidation of assets.

that those who have been receiving the blotters are often quite willing to give him names of prospects in their own offices.

The Thursday afternoon session was opened by a talk on "The company's financial department" by N. A. Nelson, treasurer of the company, who told of the importance of the financial department of a life company. He said the

life companies are judged by the figures they show, and thus the department that develops the financial strength of the company is of prime importance. He presented figures to show the growth of the company and stressed the fact that the company had not lost a single dollar on an investment since its organization.

(CONTINUED ON PAGE 10)

CHICAGO COMPANY HAS BROADENED ITS SCOPE

Million Dollar Nucleus for Life
Department Provided by Agents
of Sister Company

FEATURE OF CONVENTION

United States National Life and Casualty Offers \$250 Policy Among Its
New Lines

At the annual convention of the U. S. National Life & Casualty at Chicago, General Manager C. H. Boyer announced that the company's life department had just been established. Agents of the National Life of U. S. A., to which the U. S. National is a running mate, have already written \$1,100,000 of ordinary as a nucleus for the new department.

Among the features of the life department is an ordinary life policy for \$250, with cash surrender value and all the features of a regular policy. The company expects to have it in use within six weeks. It is to be similar to the \$500 policy issued by the Metropolitan, except that it is to be for only half that amount, and sold at a rate between \$5 and \$6 at age 30. The rates of the Metropolitan intermediate policy will be used. It is believed that there is a real field for this small policy.

The U. S. National has been searching for an actuary for its life department, and Mr. Boyer announced that it is about to close a contract with a very well qualified actuary from a big industrial company who desires to come to Chicago. President Johnson expects to devote his attention to the new life department.

An industrial life department has also been opened, and applications and policies are now on hand. The industrial rates are based on the American experience table, and the policy has cash surrender value. Industrial policies are to be sold only by representatives of the weekly life, health and accident departments.

The U. S. National Life & Casualty is authorized to write life insurance in every state in the union except Massachusetts. The policies, however, will have to be approved in quite a number of states before they are issued, and they are being submitted to insurance departments at the present time. The company expects to write this class of business very soon.

TRIES TO DEFRAUD COMPANY

Policyholder of Great Republic Life Arrested While Staging a Fake Drowning

LOS ANGELES, CAL., July 29.—A plot to defraud the Great Republic Life of this city was exposed yesterday in the arrest of John Dexter Wiley of Los Angeles and his wife, together with W. M. George, a claim adjuster for the company. It is alleged that Wiley had a \$20,000 policy and had rehearsed a scheme for pretending to be drowned in the Pacific ocean. The Great Republic management became suspicious of George some weeks ago and had three men from the district attorney's office on the scent.

Several rehearsals of the drowning episode were held, and yesterday was set for the plan to be carried out. Officers were waiting when Wiley returned to the shore in a small boat and arrested him. Two tickets for Canada were found in his home.

COMMISSIONER DUNHAM DISCUSSES RESERVES

Takes Up the Subject of Total and
Permanent Disability
Experience

RATES ARE NOT ADEQUATE

Companies Are Watching the Situation
Very Carefully in View of the
Liberal Policy Followed

SEATTLE, WASH., July 30.—Commissioner H. P. Dunham of Connecticut at the Insurance Commissioners Convention here discussed reserves for total and permanent disability. He said in part:

Disability benefits were first incorporated in life policies in this country in 1896. The plan was not new, however, it having been used in Europe previous to its adoption here. During the early years of its existence, the benefit sold was a provision that after the occurrence of permanent and total disability no further premiums would be payable and the contract would remain in force exactly as though premiums were being paid.

It soon became apparent that this waiver of premium benefit alone left much to be desired in protecting the insured in case of total and permanent disability. Not only was his income stopped, but his expenses were usually increased. This situation led the companies to provide for the withdrawal yearly of a portion of the face amount of the policy, which to that extent reduced the amount of insurance.

The next step in the evolution was, naturally, to pay monthly benefits to such disabled policyholder without a reduction of the face of the policy. This is the clause which is in general use today. The usual monthly payment is 1 percent of the face of the policy and it is continued as long as the insured is disabled.

What Constitutes Total Disability

Life insurance companies are permitted by law to cover disability that is permanent and total but the legal construction of what constitutes permanent total disability has been left open. Technically no disability is total which does not wholly incapacitate the insured from any gainful occupation. Court decisions and competition however led to a more liberal and reasonable construction of the clause so that it now covers generally where an insured is unable to carry on work for which he is fitted by training and education and which is for practical purposes as remunerative as his regular work prior to such disability.

Permanent Disability

The determination of what constitutes permanent disability is one of great difficulty and only in rare cases can it be told with certainty. The definition which became a policy provision with most companies was "disability which is presumably permanent." But a difference of opinion between the company's medical examiner and the insured's physician led in many cases to trouble and expense and many companies have now effected a practical remedy for this difficulty by defining as permanent any disability which has persisted three months.

Liberal Construction Followed

While there is a great opportunity for controversy over the construction of this clause the tendency of the life companies has been to lean toward rather than away from liberality. This has been

more particularly true in the last few years. As an indication of the actual lack of controversy resulting from the liberal interpretation of these clauses by the companies, it is stated that there have been only eight cases involving total and permanent disability benefits in life insurance policies decided by the courts of last resort in the various states of this country.

Comment on Reserves

Only a few states prescribe by statute what basis shall be used in computing reserves under total disability benefits under life policies. Those which do, prescribe the use of Hunter's table. This is the basis used by most companies, and is, I believe, at present acceptable to all departments.

The question at issue at the present time is: Are Hunter's tables still appropriate in view of the circumstances now attending the issuance of disability benefits and the payment of disability claims? My own judgment would be that, in view of the changes which have occurred in this class of business, the results under the old experience cannot be used as factors in the calculation of a proper reserve any longer. The matter, however, requires more detailed investigation and in making this, I have been obliged to seek assistance of the actuarial profession.

Adequacy of Hunter's Tables

The question as to the adequacy of Hunter's tables divides itself into three parts:

- 1st: Are the net premiums adequate?
- 2nd: Is the reserve on active lives adequate?
- 3rd: Is the reserve on disabled lives adequate?

To settle the first question we must compare (1) the rate of disability experienced with the rate shown by the table, and (2) the comparative value of the benefits payable in event of claim, as dependent upon the mortality rate and the rate of recovery after disability. That is, we must know not only whether the number disabled is approximately the same as the number shown by the table, but also whether the value of the claim is the same as the table indicates. And the value of the claim of course depends upon how soon the claimant will die or recover. This comparison may be made by combining the experience of all companies or by a separate compilation for each company.

Recognize the Limitations

If the former method is to be followed, we must recognize the limitations introduced by combining figures of companies whose practices are entirely dissimilar in such respects as these:

1. The benefits have at different times been issued under clauses having different provisions and in many companies different provisions have been issued at the same time.
2. The degree of liberality in interpreting the clauses in approving claims and the practice in requiring continued proof of disability differs greatly.

Where Benefits Are Retroactive

3. Where a company makes benefits retroactive to the date of total disability, the experience differs very greatly from what it would be if benefits are available only upon receipt of proof. It is many months on the average between total disability and the time the insured admits his presumably permanent disability and completes the required proofs. There was a time when some companies issued a disability clause that provided that a claim would be invalid unless satisfactory proofs were furnished within 120 days after the commencement of total permanent disability. Now some companies make the approval of disability benefits retroactive months and even in some cases years.

4. The waiting period varies from two weeks in the case of one company to six months or more. Many policies have been issued in which the annuity

is available one year from the next succeeding anniversary following proof.

5. The underwriting is vastly different, some companies issuing the benefit to certain select classes only, while others issue it very freely. The experience is influenced by the varying freedom with which the provision is issued in term policies, and is granted to women, and also with the limit of insurance with which the provision is granted.

6. Disability experiences also vary according to the restrictions in policies. Most earlier policies contain no war restrictions, but most present policies contain restrictions limiting or excluding claims resulting from military and naval service. Various other restrictions have in the past been included, such as excluding claims due to insanity or any condition complicated therewith, a cause that has in other companies produced a large proportion of the claims.

Disability Experience Varies

7. Disability experience also varies according to the practice of companies making liberalization of their disability provisions issued in new policies retroactive to old policies.

8. The above differences in approval of disability claims, of course, obviously affect the mortality of the class of lives approved for disability and, therefore, affect the amount of benefits payable after disability and the necessary premium to provide these benefits.

Differences in Approval of Claims

9. The differences in approval of claims, particularly compared with the approval of the claims upon which Hunter's table was based, result in recovery of the insured from disability at rates varying upon their dependence upon the other factors involved, so that the amount of benefits also varies due to this factor. The rate of recovery referred to here is that on cases where companies believe the insured should be granted the total and permanent disability benefits and is entirely independent of the question of temporary disability benefits.

Bearing in mind that the total experience of American companies with disability benefits is very limited, and in view of the above limitations, it is easy to see how difficult is the problem of arriving at a satisfactory answer to our question as to the adequacy of Hunter's tables.

Meager Amount of Experience

As an indication of the meager amount of experience available, I give below the number of disability claims which have been approved on regular business by the Connecticut life companies.

Company.	Year Adopted.	Total Claims Approved.
Aetna	1907	227
Conn. General.....	1913	425
Conn. Mutual.....	1916	134
Phoenix	1915	130
Travelers	1904	856

Points to Consider

In deciding whether or not the net premiums are adequate, we have therefore the following points to consider:

1. The Hunter tables used were computed, as shown in the title, for the valuation of the waiver of premium benefit and not for the annuity feature. The moral hazard in connection with the "waiver" feature was obviously slight. But a great majority by far of business now being written includes both annuity and waiver—a much more substantial benefit. It is a recognized principle, I believe, that the rate of claims increases with the magnitude of the benefit. Many disabled who would not go to the trouble of presenting a claim for mere waiver, will unhesitatingly make claim when they will also receive a substantial monthly income. It is pertinent too that the life companies do not have facilities for investigating claims equal to those of the casualty companies.

2. There can be no doubt that at

present the companies are much more liberal in approving claims than they were at the time these tables were compiled. And it seems to follow that as a definition of permanent total disability is liberalized there is a corresponding increase in the number of claims.

3. The shortening of the waiting period also tends to increase claims. Hunter's tables were considered approximately accurate under the old definition where the claim was allowed, if the insured had been totally disabled for six months and presumably would continue to be disabled. At present many companies presume permanent disablement after a total disability has existed for three months. In a paper presented to the Actuarial Society of America in 1922, J. M. Laird, actuary of the Connecticut General Life, estimated that under the former definition there would be four claims per 100 persons entering at age 30, while under the latter definition there would be 57. The difference is indeed substantial.

Sickness Ratio Increased

4. Practically every extensive investigation of mortality experience made recently has shown a decrease in the rate of mortality. On the other hand, every investigation of sickness experience has shown an increase in the rate. Perhaps the two phenomena are related. I believe it could be logically argued that they are not inconsistent. At any rate, I think there is no doubt that the sickness rate in this country at present is greater than it was during the experience from which Hunter's tables are derived. Witness how the claims under commercial health policies keep ahead of the increase in rates.

Premiums Are Inadequate

I think we may therefore conclude that, as far as all companies are concerned, the net premiums shown by Hunter's table are inadequate for the present day benefits. Perhaps it would be better to qualify this by saying that while the tables in question may be inadequate for benefits issued under the older definition of permanent disability, there is no doubt that they are inadequate for clauses embodying the so-called three months provision. This of course does not imply that the gross premiums actually charged by the companies are inadequate.

Is the Reserve Adequate?

Each company holds two reserves for this benefit, one upon active lives, and the other upon disabled lives, that is, those now receiving disability benefits. Of course this latter reserve is the present value of the disability annuities being paid.

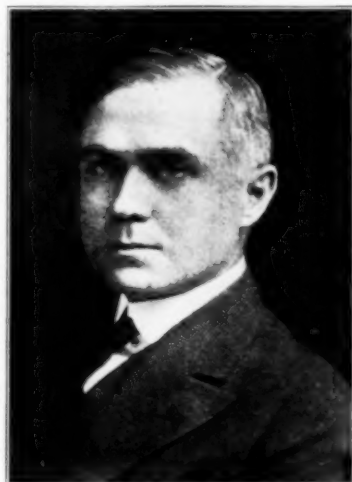
Taking up the matter of active lives, I am told by actuaries that because the net premium is inadequate it does not necessarily follow that the reserve is also inadequate. The net annual premium is made up of two parts, first, that amount which is used to pay current claims, i. e., those incurred during the year, and second that amount which is set aside as the reserve to pay future claims when the whole premium is no longer large enough to pay them. Now, assuming the premium is inadequate, the deficiency may be in that portion used to pay current claims, in which case the reserve is not inadequate.

I can find no available data proving that Hunter's reserves on active lives are either adequate or inadequate. If I may be permitted a guess, however, I would say that they are very likely inadequate, at least for companies using the three months provision.

Is Reserve on Disabled Lives Adequate?

Reserves on disabled lives are based upon Hunter's table of mortality among disabled lives. As soon as a disability claim has been approved, the company sets up a reserve, which, according to this table, will provide for all future payments under the contract, including the payment of future premiums. This table, too, was considered approximately correct at the time it was compiled and

(CONTINUED ON PAGE 20)



J. L. BABLER, President
North American Co. of St. Louis
St. Louis, Missouri

WE are in the market for Life and Fire Insurance Company stocks, or will finance the purchase of control of companies for merger or liquidation purposes. All inquiries or negotiations will be treated in the strictest of confidence.

North American Co. of St. Louis
ST. LOUIS, MO.

Story of the **INTER-SOUTHERN LIFE** A GOOD WATCH DOG



INTER-SOUTHERN LIFE BUILDING,
OWNED BY THE COMPANY

Very few companies in any line of endeavor, can show a turnover of from forty to fifty million dollars of transactions, over a period of eighteen years, without considerable loss.

The Inter-Southern Life has confined its loans to properties in cities and towns, and so far, has incurred no losses in principal or interest on the loans made directly by it.

The Examiners recently investigating the Company, had the following complimentary statements to make in regard to these loans:

"The mortgage loans on real estate of this Company, have been confined to loans

on properties in cities and towns, and are conservatively made well within the provisions of the statutes.

The loans made directly by the Inter-Southern Life Insurance Company have apparently never suffered from loss of either principal or interest."

We do not boast about this record nor claim we can keep it up forever. Eighteen years of such faithfulness brought special mention as it deserves. The directors and officers of the Inter-Southern Life have devoted time and means unselfishly.

Gains for 1923—Forty-Two Per Cent.

The assets were increased during the year 1923, from \$7,371,274.27 to \$10,464,497.66, or a net gain of \$3,093,223.39, or forty-two per cent. gain in assets within one year.

The insurance in force was increased from \$62,591,398.00 to \$88,502,568.00, or a net gain of \$25,911,170, or forty-two per cent gain in insurance in force.

The Capital, Surplus and Reserves for the protection of policyholders increased from \$7,256,800.08 to \$10,258,775.87, a net gain of \$3,001,975.79, or forty-two per cent increase.

INTER-SOUTHERN LIFE INSURANCE COMPANY

LOUISVILLE

JAMES R. DUFFIN, President

KENTUCKY

Eighteenth Year

The Columbian National Life Insurance Company

ARTHUR E. CHILDS, President BOSTON, MASSACHUSETTS

Columbian National Agents are in a position to offer the best forms of

LIFE, ACCIDENT and HEALTH INSURANCE

Policies backed by one of the strongest companies in the country, having ample capital, surplus and highest standard of reserves.

Seven Years of Steady Progress

The International Life and Trust now wants a representative in your district. It is an old line legal reserve company with a record to be proud of. To represent this dependable company is to represent a pillar of safety in the life insurance business. You are assured of a maximum degree of intelligent co-operation. Write us at once for an agency. We have the means of assuring you of a successful career in the life insurance business.

International Life & Trust Company
MOLINE, ILLINOIS

J. O. LAUGMAN, President DR. ANDREW JOHNSON, Secretary and Medical Director

ROBERT F. COMER, General Agent, Southern Peninsula, Michigan

THE MIDLAND INSURANCE COMPANY

OF ST. PAUL, MINN.

Life Policies that Sell

For Agency at
FLINT, JACKSON, PONTIAC, PT. HURON, MICHIGAN

Address
Robert F. Comer, 802 Hammond Bldg., Detroit

SERVICE TO SALESMEN

We gave over 8,000 prospect leads to our salesmen during January and February, 1924.

BANKERS LIFE COMPANY

Des Moines, Iowa

GEO. KUHN, President

OUTLOOK NOW BRIGHT SEEKING TO KILL DEAL

ERA OF PROSPERITY IS SEEN

WANT AGREEMENT SET ASIDE

Texas Reports That Crops of All Kinds Promise to Reform Conditions in South

Some Shareholders of Policyholders Mutual Life Trying to Block Ontario Life & Accident

DALLAS, TEX., July 29.—With a \$50,000,000 grain crop hitting the market, a \$10,000,000 fruit, melon and vegetable crop about sold and a \$575,000,000 cotton crop in the offing, things look mighty good in Texas according to life insurance men of Dallas and other sections of the state. The fact that during the first seven months of the present year more new business has been written in Texas than for any similar period in a long time, leads the life underwriters to believe the total volume of new business put on the books in Texas this year will establish a record.

Prosperity in Offering

Business in general, dull for the past month or six weeks, is rapidly getting back to normal, the life insurance men say. There is plenty of money in circulation and there is going to be more. The farmers in the grain belts are out of debt and have, or will have, money in the banks in a short time. The farmers in the cotton belts are assured of a pretty fair crop. Proper weather for the next 30 days will give them the biggest yield Texas has had for years. That will mean they will be out of debt and will have money to spend. The putting of \$500,000,000 of cotton money into circulation will make things hum all over Texas. The life insurance business will boom with the other lines, underwriters declare.

For the past few years the farmers have been wanting life insurance but have been unable to buy. It looks now as though they can get in the market for what they want and pay for it when they get it. Life underwriters at Dallas, Houston, Galveston, Fort Worth, Waco and Beaumont declare the good crops in Texas will not only mean a large volume of new business but will assure a large volume staying on the books which might otherwise have been lost.

The life insurance men have been studying the crop situation closely for six or eight weeks. They have been in touch with crop conditions all the year. Dozens of them have toured the agricultural sections. They declare the outlook for business in Texas was never brighter. Farming is the backbone of the entire situation in Texas. When the farmers are prosperous the life insurance men write business. When they are not, the underwriters suffer with them.

Right now underwriters of the state are planning to push the work of soliciting in the cotton belts. They have been in the grain, fruit and melon sections for some time. They believe there is little reason to doubt there will be as much business written during the next five months as there was during the first seven months of the year.

They find the bankers and merchants optimistic and the farmers and cattlemen inclined to view the future with more confidence. The spirit of optimism pervades all sections of the state. The home offices of life companies have it. The general agents are imbued with it and the men with the rate books are bubbling over with it. When a situation develops to that point it is hard to keep business from being good, a dozen home company officials and state agents in Dallas said.

Life Notes

A. E. Sullivan, Indiana superintendent of agencies for the Peoples Life of Chicago, is now located at 5866 Lowell avenue, Indianapolis, Ind.

The Morris Plan Insurance Society was admitted to Virginia last week. The society entered Virginia some years ago, but withdrew after operating in the state for a year or two.

Suit has been brought at Toronto, Can., by two shareholders of the Policyholders Mutual Life of that city in an endeavor to set aside the agreement under which the business was taken over by the Ontario Equitable Life & Accident of Waterloo, Can. The petitioners declare that the agreement to amalgamate was secured by duress. They seek damages for loss of trade, business and profits due to the merger, for an accounting of secret profits if any, of three individual defendants, for damages for alleged conspiracy resulting in loss of profits for an injunction to restrain the Ontario Equitable from paying further moneys to A. M. Featherstone and that the \$5,000 a year payable to A. M. Featherstone be declared held on trust for the shareholders of the Policyholders Mutual.

The defendants named are the Hon. F. C. Briggs, a director, and S. C. Tweed president and managing director of the Ontario Equitable. A. M. Featherstone, former general manager of the Policyholders' Mutual and the two corporations.

COMPANY MAKES LARGE GAIN

Agents of the American National Doing Best Business Are to Convene at Head Office

GALVESTON, TEX., July 30.—Officers of the American National of Galveston announced a substantial gain in the amount of insurance in force for the first six months, during which time an increase of \$16,759,880 is noted, bringing the total volume of insurance in force up to \$231,759,880. The increase made represents a substantial gain over the same period of previous years. The company's goal of \$250,000,000 for the current year seems to be assured, according to a report by Secretary W. J. Shaw.

Many Will Be There

The annual convention of the company's representatives will be held here Aug. 15-16. More than 300 delegates will report to join in this convention which the company offers as a prize to those who make certain standards in the management of their agencies.

Business sessions are scheduled for Aug. 15, at the morning meeting, and the awarding of prizes and mapping out of new plans for the remainder of the year will constitute the afternoon schedule of the same day. A banquet and dance will be given Friday in honor of the delegates.

Plan Big Get-Together

Aug. 16 the home office will be open for an informal "Get-together" meeting until 10:30 o'clock when the visitors will take boats for a view of the harbor and wharves. Following the trips about the bay an informal beach party will be held on east beach thus completing the program of the two days' sessions.

Twenty-two states and the Republic of Cuba compose the field of operations now for the American National, Mr. Shaw asserted, and satisfactory business is being reported throughout the territory at the present time.

Notable progress, Mr. Shaw pointed out, has been made in the growth of the business in the larger cities where the company has established many new offices recently. The company now has more than 300 branch offices, four in St. Louis, five in Chicago, three in Los Angeles, Detroit, Kansas City and other large industrial centers, aggregating more than 2,000 employees.

WRITE AT YOUNG AGES

PRACTICAL SIDE CONTROLLING

Life Companies Find It Is Desirable to
Get Children Accustomed to Taking
Insurance

In recent months, several companies have announced that they will accept applications for life insurance on children, going as low as 10 years, in some cases. These policies will be issued on the same forms as written for older individuals, although the choice of forms is usually limited. Limited payment life and endowments are the usual contracts permitted. The amount is also limited to a nominal sum in comparison to the limit of risk the company will assume on matured lives.

Uncertainty Is Seen

From a theoretical standpoint there is no reason at all for issuing life insurance to applicants under 16 at the earliest. The applicant has no real insurable interest. If there is any ability to pay the premiums, it is quite limited in amount except in isolated cases. A true rating of the moral and physical risk is impossible to attain. Youths at 10 and 12 are not sufficiently developed bodily to enable the companies to get an accurate forecast of their probable condition of health. Their mental and moral development has not yet progressed to the point where they may be considered fully stable. There is a decided additional risk that is not seen at first glance. When the youths have completed their education, it is more than probable that they will engage in one or more occupations which are among those which bar applicants in that company. All of these points are in addition to the fact that the company's risk is increased by the low rate which the company makes on the younger ages.

Practical Side Is Controlling

The practical side of the question is the controlling one. All know that it is during the younger years that the impressions and knowledge which will influence the entire lifetime of the child, are gained. To take advantage of this fact is the main reason for the reduction of the age limits. In the vast majority of cases, the child takes the insurance at the incidence of the parent who explains the entire transaction and who usually goes on to expatiate upon the advantages in general which life insurance offers. Having learned this from the lips of one whom the child has learned to trust means that the tremendous obstacle of creating the desire for life insurance when that youth attains the early twenties is removed for good. Every one who has solicited young men and women just starting out "on their own" knows what a vast amount of time is necessary to sell them. But when the education has preceded and the young man and woman already knows the value of the asset of life insurance, a great deal of time which is now virtually wasted may be reclaimed for more profitable use by the agent.

Make Good Customers

The agent who looks after the insurance account of the father may be called upon to recommend policies for his children. It is really embarrassing not to be able to fill this sort of an order. The companies have recognized this point and know, further, that the chances for that agent writing the young folks again, and in increasing amount, over the period of their earlier manhood at least, are materially strengthened by this service during the younger years. The companies do not expect to write a great amount of business on the young folks, but what they do accept they believe will serve a most constructive function.

**The Missouri State Life provides
for Insurance Men an Improved
Brokerage Service in its Branch
Offices, covering Life Insurance,
regular and Substandard, as well
as Surplus lines; Group Life;
Group Accident and Sickness;
Accident and Health Insurance.**

"All the commission belongs to the Broker"

The Missouri State Life had \$509,558,112 of Life Insurance in force as of June 30, 1924.

The Missouri State Life is a legal reserve company, which writes both participating and non-participating Life policies in all standard, and many special, forms. Its policies contain the most liberal double indemnity and total disability benefits.

The Company offers a wide range of forms of trust fund and income settlements, with guaranteed interest return and most attractive provisions for excess interest dividends; backed by an unexcelled record for interest, dividends paid on both participating and non-participating policies (our trust fund rate on trust fund and income settlements has never fallen below 5 per cent, a direct result of the Company's high interest earnings).

Our Accident and Health policies have many exclusive features and provide full coverages for various classes of risks. Fair and careful underwriting enables us to give exceptionally prompt and liberal service on claims.

In 1923 the Company paid to Life policyholders and beneficiaries \$5,408,473; since its foundation in 1892 the Company has paid to Life policyholders and beneficiaries \$30,173,951.

Last year the Company's Field Organization paid for more than \$155,000,000 of Life Insurance, and stood fourteenth among all Life companies in production for the year. In the first six months of 1924 our Representatives paid for \$75,446,990 of Life Insurance.

Missouri State Life Insurance Company

M.E. Singleton, President

Home Office: Saint Louis

Life

Accident

Health

Group

Over Half a Billion in Force

**"We Are Met on the Broad Pathway
of Good Faith and Good Will."**

Stands at the top of the editorial column in our NEWS LETTER. William Penn uttered it when making his famous treaty with the Indians—a treaty *never broken*.

In its spirit Home Office and Field of the PENN MUTUAL work in fraternal unison and reciprocal loyalty.

Moreover, in that spirit the PENN MUTUAL deals with its policyholders and their beneficiaries. "Technicality" was never in its dictionary.

Places in our Field for capable men and women who desire to represent life insurance at its best.

**The Penn Mutual
Life Insurance Company
Philadelphia, Pa.**
Organized 1847

¶ If your present opportunities in the life insurance business are limited to personal production, our agency contract will interest you. It offers better than general agency opportunities, vested renewals and low cost insurance.

¶ Exceptional opportunities are open in Minnesota and Ohio and a few in Wisconsin.

¶ Check up our record.

Gardian Life
Insurance Company
Home Office, Madison, Wis.



**100 PER CENT
EFFICIENCY**

Life men find our methods bring their efficiency up to 100 per cent.

We consider every man insurable and rate each case on its own impairment and amount of risk involved.

We take the "Blue Sunday" out of the life insurance business by helping you salvage your wasted energy expended on *Sub-Standard* business.

We have everything in the life game to offer. Let us tell you how.

The "Life Insurance for Everyone."
MEDICAL LIFE
INSURANCE COMPANY OF AMERICA
WATERLOO IOWA

I. G. LONDERGAN
Vice Pres. & Gen'l Mgr.

E. E. BROWN
Agency Supervisor

**GIVE VALUABLE DEMONSTRATION OF
FORMING OF LIFE INSURANCE TRUST**

THE demonstration of the formation of a life insurance trust given on the closing day of the convention of the National Association of Life Underwriters at Los Angeles last week by Senator Louis A. Roseberry, vice-president of the Security Trust & Savings Bank of Los Angeles and George A. Rathbun of the Equitable Life at Los Angeles was probably the most concise and easily understandable presentation of the insurance trust idea that has been made so far by any speaker or writer. The dialogue was as follows:

Mr. Rathbun: Good morning, senator.
Mr. Roseberry: Good morning, Mr. Rathbun, I am very glad to see you.

Mr. Rathbun: I have been very much interested in the advertisements that you people have been running in the papers, especially in reference to trusts. I cut out the advertisement on July 14th and have been carrying it in my pocket.

Mr. Roseberry: That's the community advertisement that has been joined in by all the banks in Los Angeles.

Mr. Rathbun: I always had the contention that the life insurance company could answer my requirements. The situation that has interested me more than any other is the fact that I have a boy seventeen years of age, whom I want to have given a small income. I don't believe in giving boys too much, and I want to put in trust something for him so that when he is thirty-five he will have something with which to go into business. I felt that I had accomplished this through \$25,000 life insurance, but the thought occurred to me that you people might be able to take care of this very much more advantageously than the life insurance company. I want to get your ideas as to whether there is any way I could have a policy payable to him through you as trustee—perhaps payable to you, probably to be held in trust and then, in the event of his reaching thirty-five without being capable, that you could hold in trust on an income which you could pay over to him.

Mr. Roseberry: Yes that is one of the purposes of a life insurance trust. We feel that the flexibility that is available through a trust device, is one of its most valuable incidents. We believe we can meet your situation by applying this flexibility through a trust. I take it that the policy is payable to your son.

Mr. Rathbun: It is payable to him to be left in trust until he is 35 years old. This trust is held by the life insurance company.

Mr. Roseberry: The difficulty with that is the uncertainty of knowing when the principal will be paid. The age of 35 years is not necessarily the age at which you might desire to have him get the proceeds of the policy to enter business. He might fail to meet the qualifications for this purpose and there should be some agency set up to determine whether he can meet such qualifications. Also in the event that he should die before that age, or become incompetent, mentally or physically, so that his entry into business would not be successful, then again there would be a gap in your plans for him. Should you make that policy payable to a trustee and leave the trustee with sufficient powers to meet the conditions you have in mind, those conditions can be met satisfactorily. If your son reaches the age of 35 and qualifies according to those conditions, the trustee could decide that and would decide it in a broad fair way and under the direction of some of the best men in your community,—people who know your son and the environment, and they could apply that money to him or assist him in its application.

Mr. Rathbun: Then, under this trust, you would simply advise the making of

a policy in favor of your company. I have a total of \$50,000 of insurance payable to my wife. I feel that that will be sufficient to pay the taxes. I have \$100 a month payable to my daughter for life. I have \$5,000 payable to my daughter and one son. All this I would not want to go through a trust company.

Mr. Roseberry: We consider that the life insurance is just as much a part of your estate as is the rest of your assets. There is no clean line of demarcation,—at least so far as your dependents are concerned—between life insurance and other property, and in arranging for its disposal you should have in mind your entire estate. Do not ignore the fact that they are going to have other property from your estate and to conserve that property they need financial assistance. Ready money should be available, too.

Mr. Rathbun: From that standpoint, I am a little prejudiced against the trust company handling my estate. I don't know what trust company it was but I have some information—second hand information—that there was an estate in trust possessed of \$40,000 in good bonds. The trust company, having a bond department, reinvested that money and sold the bonds, probably to make the small commission therefrom and I have always had the impression, or rather, that impression has been given to me from this story, that the trust company did not act honestly in this matter.

Mr. Roseberry: Well, these are unfriendly observations and I do not believe that your story is true,—possibly it might be in isolated cases. The transaction you mention was entirely and directly against the law. Any trust company that practices in this manner would be in direct violation of the law. In the first place, under the laws of California, it is unlawful for a trustee to make any secret or indirect profits outside of its disclosed trustee fee. And those fees are fixed in the trust instrument or fixed by the court. In the second place, trust companies are public service corporations. As such they are under public regulation and control. They are regulated by the superintendent of banks, who makes regular annual or semi-annual inspection, sees our operations, and if he finds such a profit having been made, it would have to be restored to the trust. We are trying to make a reputation and are constantly building one up for good and honest and efficient service, and if we were to step in and make a transaction in the manner your story suggests it would probably ruin the work of years in building up this trust business. You can feel assured that if the trust company replaces any investment in your trust it will be purely and solely for the benefit of the trust, and not for the benefit of the trust company.

Mr. Rathbun: How do you handle the trust? Say that I create a trust with your company. Is your entire trust company and bank for my individual trust?

Mr. Roseberry: No, under the laws of this state we have a departmental system. The trust department has a part of the bank's capital stock and that is available for the creditors of the trust department alone. In that way we make yours an individual trust. It is reported separately, carried on the books separately, and is just as much individualized as if it were the only trust we have.

Mr. Rathbun: How do you guarantee that? Is that a loss to my trust?

Mr. Roseberry: Legally it would be, Mr. Rathbun. A trustee does not guarantee investments and moneys. It is not like a life insurance company. A life insurance company guarantees its policies and must make them good out of any resources at its command. Never-

theless the policies with the American trust company are such that a survey extending over a period of years without limitation, a survey made among many official records and not among company records themselves, which shows that there has not been a single loss suffered by a beneficiary of any trust administered by an American trust company from any investment by those companies, for which the trust company would be chargeable, except one little loss in the state of New Jersey which occurred over 20 years ago, and that was less than \$2,000.

Mr. Rathbun: Now, I have one more question. You rather convince me, Mr. Roseberry, it is a good proposition, but is it better for me to make a will? I ask that question for the reason I intend to have my property go entirely according to the law of California, the community property to my wife and the balance to my children. Why do I need a will?

Mr. Roseberry: Well, if you make a will leaving your estate to the persons who would inherit it if you died intestate does not increase the cost. On the contrary it can avoid and economize in the cost very greatly. In addition to that, not only expenses may be saved, but you have the right to direct where your property shall go without limit or restriction.

Mr. Rathbun: What estimate may be allowed to charity?

Mr. Roseberry: In this state you can only will one-third of your property to charity if you have a mother, father, wife or children. Without that you can leave your property without limitation. That is one of the most valuable rights you have. It is a statutory. The right to dispose of property is an inalienable right. It is simply statutory conferred upon you.

Mr. Rathbun: All right, Mr. Roseberry, let's get down to facts. I am taking a good deal of your time and you are taking a good deal of mine. What do you want to know?

Mr. Roseberry: Let me just survey the possibilities of this life insurance money of yours, Mr. Rathbun, which I think you ought to remember, which is this. Your heirs will find at your death there will be a pyramid of costs not contemplated at this time. In the first place you will find all your debts are marshalled and presented as claims against your estate. Our experience in the trust company is that the great problems in dealing with estates is to find cash—cash to pay to the widow and the children during the early stages of the probate, or cash to liquidate the estate and distribute the estate.

Mr. Rathbun: I have covered that with \$50,000 life insurance.

Mr. Roseberry: To whom is it made payable?

Mr. Rathbun: It is made payable to my wife. I have absolute confidence that my wife would use it properly.

Mr. Roseberry: Suppose your wife died in the same automobile accident you did. Before these debts are liquidated the insurance money would go into her estate and not be available to your estate, and therefore you have no assurance that that money would be applied to the use you have in mind?

Mr. Rathbun: What would you advise me to do?

Mr. Roseberry: My suggestion is you trustee that money. By that, I mean the life insurance policy should be assigned to a trustee. By doing that, there is no question about the beneficiary.

Mr. Rathbun: How much will my inheritance tax be?

Mr. Roseberry: It depends on the amount of your estate. How much of an estate have you?

Mr. Rathbun: You know a man living is worth more than he is dead usually. For the sake of argument let's make it a million.

Mr. Roseberry: One half will go to your wife under the community property law. The other half will be taxed. One

half of your estate will be subject to federal and state inheritance tax. If you leave this half to your children the combined inheritance tax upon the other half would be to your son and to your daughter just \$50,500.

Mr. Rathbun: That is taken care of by my life insurance policy?

Mr. Roseberry: Yes, if you make the whole of it applicable for that purpose. You might find at the time of your death your estate may be more or less than you estimate to-day. There might be some excess in it or there might not be enough. If there is any surplus there you could apply it to any class of debts. Suppose you wanted to pay the unsecured debts in your estate. It could be whisked from one use to another until they were ultimately disposed of with the rest of the estate.

Mr. Rathbun: Now, do you have certain actions that you go through in transferring the insurance to you?

Mr. Roseberry: We do.

Mr. Rathbun: Or is that something for us to handle?

Mr. Roseberry: My suggestion is, Mr. Rathbun, that we have a joint conference with your insurance underwriter.

Mr. Rathbun: My policies are in several companies.

Mr. Roseberry: That is another reason why they should be placed in trust. It is like putting them in a great reservoir so you may draw on them as may be required. If you pool these policies in one trust reservoir then they can be drawn on as needed. I suggest that we have a joint conference with the insurance underwriter, yourself and the bank, and we will work out a testamentary plan for you and say how this life insurance money should be used. The general procedure is that the insurance policy is made payable to a trustee. We then execute a declaration of trust against it. We send all the life insurance policies to the company. We place them in our vault. If you wish you may keep them, but we prefer to keep them because with the declaration of trust we become obligated to look after them. Then there is the problem, are you going to maintain the policy or will the bank do it. You can execute a trust to the bank and the bank will do it.

Mr. Roseberry: That is what we call funded life insurance.

Mr. Rathbun: By the way, would I be subject to income tax on the amount in trust to pay my premiums?

Mr. Roseberry: Yes, under recent rulings of the treasury department. Now the treasury department has ruled that if the life insurance premium is paid by you on insurance above \$40,000, it is included with your estate and is taxed. That imposes quite a heavy tax in some instances upon life insurance funds.

Mr. Rathbun: Now, Mr. Roseberry, you will have the insurance man come with you and have the joint conference?

Mr. Roseberry: Yes, sir, if that is agreeable to you.

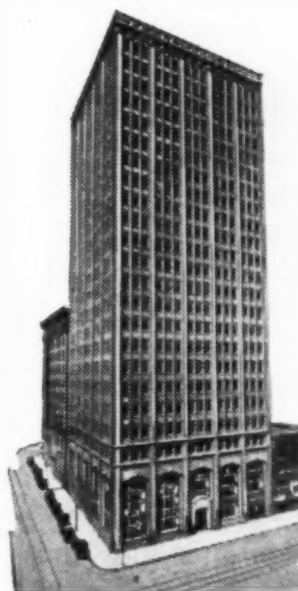
Mr. Rathbun: I have a lot of policies here. I haven't taken out insurance for the last ten years. My insurance advisor, the man who took my last policy, died some few years ago. Do you know any one that you favor that you could get in touch with to go over my policies with us?

Mr. Roseberry: No. In that case I would suggest we will have to work that out between ourselves in each individual company. It is only where you are in touch with some man that is writing insurance or some man that you would rely on with respect to insurance that we counsel these conferences.

Mr. Rathbun: I wish to thank you very much, and I will see you again. Could I see you tomorrow afternoon? Suppose we take lunch together tomorrow.

Mr. Roseberry: Very well, I shall be delighted. That will be fine.

The small boy's objection to school is that dates in history are so much harder to remember than batting averages.



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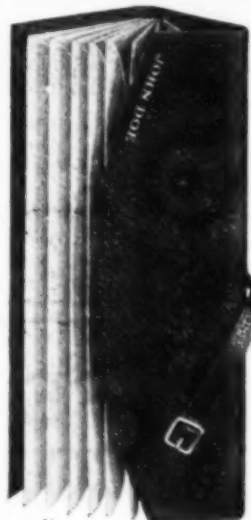
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WHERE MONEY IS PROVIDED FOR ESTATE TAXES BY LIFE INSURANCE

THE closing session of the convention of the National Association of Life Underwriters at Los Angeles was devoted entirely to estate settlement insurance. In the second section of it, specific cases where life insurance has helped provide money for state and inheritance taxes were cited in the discussion, the preliminary presentation being made by N. E. Degen of the Aetna Life, Pittsburgh, Pa., president of the Pittsburgh Association, and the discussion led by John W. Clegg of Philadelphia, the new president of the National Association, who especially emphasized the need for insurance in the case of small estates. The discussion was closed by Paul F. Clark of Boston, chairman of the session.

"Render, Not Sell" Life Insurance Service

N. E. DEGEN: Yesterday and on other occasions, we all of us made use of the expression "selling service." There is no part of an insurance program which involves more the idea of service in a broad extent than the taxation of estates, but I would like to suggest that we refrain from talking to one another, from even thinking, or making use of the word or idea of selling service. We do not sell service; we aim not to commercialize our own ideas and our own thoughts. If we render the service it will very likely receive its own reward. We may sometimes not make the sale, but we will nevertheless have rendered the service—very likely the man may be induced, after having heard us, to place his insurance elsewhere, and thus we will get the reward or some one else will,—but let us by all means, let us refrain from selling service.

Cases of Service at Death are Cited

Now, the first case I have, and there are only a few,—not because much insurance has not been placed to take care of inheritance and administration expenses, but because the deaths are few or the notices have not come to us in great numbers. The first is the case of a merchant, a furniture dealer in Minneapolis. His company was heavily involved. They had just floated a loan on notes, running 18 months only and bearing 8 and 10 percent interest. He had handicapped himself by going to the public and his customers, instead of to the banks, with the result that they looked with suspicion on his business transaction. He had insurance, of which two policies were for \$50,000 each. One was paid immediately, and the other within a week. The papers announced that the amount of insurance carried was \$625,000. This staved off the rush of creditors. Fortunately, the \$100,000 of life insurance paid at once took care of the obligations and the balance from that was put into a surplus or sinking fund. Two accountants were called in to go over the books. They had been in the habit of doing business and they certified to his accounts being in first-class order, whereupon there was extended a line of a quarter of a million credit. This could not have been done without life insurance. It served the purpose of not only conserving the estate, but gave to his company stability and a better going business thereafter.

Insurance Takes Care of All Contingencies

The next is a case of a prominent Boston banker, who died in 1914, with life insurance of \$139,000, which played a very important part in the settlement of his estate. He had provided a large trust fund for his wife and daughter and outright for a brother and some other relatives. The remainder was given to several charities. As the will was drawn, the inheritance taxes amounted to \$150,000, and were practically taken care of

by the \$139,000 of insurance. One of the charities expected a very considerable sum. It was not disappointed, nor were any of the others. The mistake made, however, in this instance, unfortunately, was that this insurance was payable to the estate. You surely will realize what that meant. There was a loss to the estate of \$20,000 in the matter of inheritance taxes and other taxes which might have been avoided had the insurance been made payable to some private beneficiary.

The third case is that of an eastern merchant, who had \$35,000 of insurance. He was advised to take out more. He considered the matter of \$20,000 addition. The agent who arranged his program for him took the \$35,000 policy and changed the beneficiary under it from the man's estate, to which it had been written, to an individual person, and also wrote the additional \$20,000 to an individual. The man died. The insurance took care of what little debt he had. He had no inheritance taxes, no encumbrances of any kind. They were all cleared up by the wisdom of the agent who changed the man's insurance from his estate to a personal beneficiary.

Clegg Says Foundation of Estate Is Insurance

JOHN W. CLEGG: The foundation of every man's estate, the underneath of every man's estate, should be life insurance. We find upon investigation that the estates of those who are not so well off need the protection of life insurance to a much greater degree than those who are possessed of large wealth. The subject, as I see by the program is where life insurance has helped to provide for estate and inheritance tax. Really it is a larger subject than that. It is where life insurance has helped provide funds for the settlement of estates.

The smaller estate is not subject to heavy taxes, but they are subject to heavy expenses, administration costs and debts, and therefore, let us turn ourselves to that phase of it. We are not here to discuss the large cases. For instance, if you were possessed of \$2,000,000 and were thinking of your family alone, it wouldn't matter much, would it, whether you left them \$1,500,000 or not? But suppose you were only possessed of \$50,000 and had a wife and several children, at the time when they needed education. A shrinkage of 15 to 20 per cent of your estate would mean considerable in the lives of those for whom you are responsible.

The Average Case Is the One to Consider

I have before me a chart which was sent to Mr. Woods which clearly demonstrates that one fact. At this end of the chart is the \$10,000,000 estate. At this end of the chart is the \$2,000 estate. If you can see these curved lines, at the \$2,000 estate it is just as high as it is at the \$10,000,000 estate. That is, the cost to the estate is the same percentage to the \$2,000 estate as it is to the \$10,000,000 estate. In the \$2,000 the cost of administering the estate arises from debts and administration cost. The expense of the \$10,000,000 estate arises from the same costs, plus taxes which are enormous.

Therefore, this teaches us the lesson that we who have small estates and those whom we approach should have life insurance as the foundation on which to build their estate.

As you know and I know that life insurance is the only plan in the realm of finance to-day by which for moderate annual investment a man may create a much larger estate and that it is our duty to go out and to preach the gospel of insurance to every one.

I am to-day telling men that by carrying life insurance they are going to live

happier. They are going to be able to spend more on other things, and they are going to be able to do infinitely more than if they were trying to build an estate in any of the other forms that are in existence to-day, that is, the purchase of bonds, stocks, real estate mortgages, and otherwise. If a man has not much money he should absolutely forget everything else except life insurance in the creation of his estate, and he should put by all that he can for the least amount of investment.

Explains Most Important Decision, the Frick Case

EDWARD A. WOOD: I want to explain the Frick decision, one of the most important, if not the most important decision ever made in regard to insurance. It was passed down by Judge Thompson, a very careful jurist, one who has scarcely ever been reversed. The fundamental thing that Judge Thompson said was, a life insurance policy is not a part of a man's estate, it is the fulfillment of a contract. You cannot reach by taxation something that is not a part of a man's estate. The decision says that a life insurance policy is the beneficiary's property the moment it is put in his name or her name, whether the man who took out the insurance reserved the right to change the beneficiary or not. Here is an illustration. Theoretically a man might leave \$2,000,000 of estate and \$10,000,000 in a life insurance policy payable to a hospital, let us say. If that insurance policy was construed as part of the estate, the estate taxes would amount to \$2,800,000, which would wipe out the estate entirely and also take \$800,000 of the hospital's money besides. Another illustration, about 20 years ago. Then he had a life insurance policy of \$10,000 payable to his wife. When he dies the government hasn't any right to tax with the estate the house that he gave his wife 20 years ago, has it? Under this decision, they have no more right to tax the life insurance which is payable to his wife.

Stands As Iron Clad Defense of Insurance

The point I wish to make is that any man has a right today to take out a policy for a named beneficiary and the proceeds of that policy after he has died are not a part of his estate and are therefore exempt from state and federal inheritance taxes. Lawyers tell us that congress can probably do nothing to change the effect of this decision except by Constitutional amendment, which is not likely. That is why lawyers consider this the most important decision ever rendered on life insurance. You can use it in selling life insurance policies from tomorrow on.

JUDGE DAVIS: There are three definite specific ways by which the living generation may inherit money, by gift, by will and by descent. When none of those ways contemplate life insurance, the congress can tax the estate. There are no taxes whatever on transmitting estates by life insurance, but there is a tax upto 40 percent on transmitting an estate in any other manner whatsoever. To transmit the estate by life insurance is the only possible way by which to transfer your assets to your heirs without paying a very large federal estate tax if you have property to leave exceeding \$50,000.

PAUL CLARK: We passed just one point in this morning's session which I think is worth while. We have the greatest ally in the next year or two that ever has come to our assistance in the sale of life insurance contracts, and that is the army of banks and trust companies of this country. There have never been any institutions who have and will come to our assistance the way they have. The American Bankers Association has appointed a committee to confer in regard to closer cooperation between the American Trust companies and the life insurance companies. We have up in Boston and through New England another set of men very much like the trust companies but probably more conservative. These men are

MAY MEET IN FLORIDA

PLAN OF THE COMMISSIONERS

J. C. Luning Will Undoubtedly Be Chosen as the Next President of the State Officers

SEATTLE, WASH., July 30.—Miami, Fla., is practically certain to be the location for the next annual meeting of the Insurance Commissioners Convention. Commissioner J. C. Luning of Florida, who is slated to be the next president of the convention, has extended an invitation on behalf of Miami. From the expressions of opinion among the commissioners it probably will be accepted without opposition. If the meeting goes to Florida it probably will be held in October. A movement is on foot among some of the western commissioners to have the December meeting in Chicago instead of New York, but such a change seems rather doubtful.

EFFECT OF AIRPLANE SHOWN

Life Companies Find They Can Give Speedier Service to Distant Points by New Plan

The new air line service between New York and San Francisco will help life insurance companies especially in giving more rapid service to their distant agents. For instance, companies in the central west and east can cut down the time considerably on delivery of policies to the Pacific Coast field. Most companies are now using the air line service to the Pacific Coast and mid-way points, where time becomes a factor. Even in reaching other coast cities, it is paying to have the mail sent to San Francisco and dispatched in the regular way from there.

Study Ohio Accident Situation

Appropos of the recent grade crossing accident at Oak Harbor, O., it is pointed out that since Jan. 1, 1922, 77 persons have lost their lives in 11 major crossing accidents in Ohio. The Oak Harbor accident occurred on the very day a meeting was being held in Columbus to organize a safety committee. At the meeting were representatives of railroad, traction and bus lines, and citizens generally, together with state officials. A. E. McKee, a newspaper man of Columbus, was elected chairman and J. B. Dugan of the state utilities commission, secretary. A meeting will be held each year and other states will be asked to join in the safety movement. Efforts are to be made to make crossings more safe, but a proposal that all automobiles be compelled to stop at a crossing before proceeding over it is expected to arouse considerable opposition, as some people see in this an effort of the railroads to evade all liability for crossing accidents.

known as trustees. It was a very hard job to sell the trustees the idea of letting us confer with them in regard to putting life insurance in some of the estates they were to take care of. The leader of these trustees broke away from the crowd and made a statement which has been more helpful to the men in my agency than anything else. This is the statement. The man who made it by the way is the third generation of trustees, and he represents probably estates of millions of dollars:

"The handling of estates has convinced me of the great desirability of life insurance when I realize that time, money and energy would have been saved if the estate had been all in life insurance. It seems to me that this is a far better form of investment to leave behind than anything I can think of, judging from my experience in handling investments of the other type. Life insurance seems to take care of everything that a person would need, investments and savings as well as protection."

American National Insurance Company

OF GALVESTON, TEXAS

W. L. MOODY, JR.
President

SHEARN MOODY,
Vice-President

W. J. SHAW,
Secretary

FINANCIAL STATEMENT DECEMBER 31, 1923

ASSETS		LIABILITIES	
Real Estate Owned.....	\$ 957,573.54	Net Reserve (American Experience Table, 3 & 3 1/2%)	\$12,088,710.00
Mortgage Loans (First Lien on Real Estate).....	6,101,583.63	Reserves for Death Losses in Process of Adjustment or Adjusted and Unpaid.....	160,679.10
Collateral Loans.....	25,000.00	Reserve for Taxes and Depreciation.....	133,682.70
Loans to Policyholders (On this Company's Policies).....	1,655,851.80	Miscellaneous Liabilities.....	222,595.94
Bonds.....	4,128,425.85	Capital Stock ..\$1,000,000.00	
Cash in Banks.....	1,489,106.55	Assigned Fund and Surplus ..	1,869,171.45
Certificates of Deposit (Demand).....	2,452.15	Surplus Security to Policyholders.....	2,869,171.45
Interest Due and Accrued.....	394,499.52		
Deferred and Uncollected Premiums (Net).....	\$97,849.80		
Due from Other Companies			
Account Re-Ins.....	7,500.00		
Unearned Fire Insurance Premiums.....	745.35		
Total Assets.....	\$17,070,588.49	Total Liabilities.....	\$17,070,588.49
		Increase in Insurance in Force.....	\$33,579,606.00
		Increase in Admitted Assets.....	2,778,964.00
		Increase in Surplus Security to Policyholders.....	212,847.00
LIFE INSURANCE IN FORCE	\$215,027,404.00	SURPLUS SECURITY to Policyholders	\$2,869,171.45
		ADMITTED ASSETS	\$17,070,588.49
		Operates in 21 States and the Republic of Cuba	
		Total Paid Policyholders Since Organization, \$14,328,720.46	

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OUR SYSTEM of obtaining "leads" for our Agents has been cited as one of the most successful in operation.

This service is part of our comprehensive program of Home Office cooperation which is of genuine practical value to our men in the field. Service to policyholders is also the best kind of service to Agents. Our Policyholders Service Department offers, among other things, the health service of the Life Extension Institute free of charge.

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Incorporated Under the Laws of Maryland, 1883

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1. A reduction in premium rates for non-participating policies.
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4. A system for the insurance of sub-standard lives.
5. A group insurance department.

To West Coast Life, these improvements signify another step in the broadening of its scope of service. To the public, they mean a greater amount of protection per dollar. To the insurance salesman, they represent a wider opportunity. If he is ambitious, he will write for details.

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The Capitol Life Insurance Co. of Colorado

Clarence J. Daly, President
Denver, Colorado



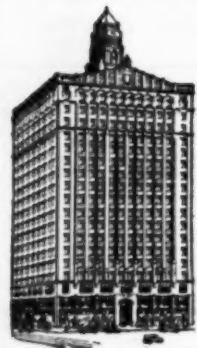
Ninth in the U. S. A.

In 14 years this Company developed an accident and health business that placed it in 9th place among all the companies of the United States in amount of disability claims paid. And it is now making equal progress in the development of the Life Insurance Department.

BUSINESS MEN'S ASSURANCE COMPANY
W. T. GRANT, President KANSAS CITY, MISSOURI

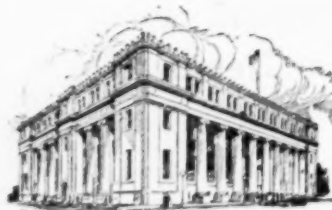
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	Jan. 1, 1914	Jan. 1, 1924
Assets	\$ 7,804,230	\$ 40,113,271
Policies in Force	503,302	1,552,803
Insurance in Force	73,455,636	351,149,583

Attractive opportunities open to competent agents in Ohio, Indiana, Kentucky, West Virginia, Pennsylvania, Michigan, Illinois, Missouri.

The Western and Southern Life Insurance Co.

W. J. WILLIAMS, President

CINCINNATI, OHIO

CASES WHERE LIFE INSURANCE WOULD HAVE HELPED ESTATES IN PAYING EXPENSE

A NUMBER of specific cases where life insurance would have helped estates in payment of inheritance taxes and other expenses, were cited in the section of the estate settlement session on the closing session of the convention of the National Association of Los Angeles, dealing with that especial topic. Louis C. Pierce of the Pacific Mutual, Los Angeles, had general charge of this section, and Lawrence Friddy of New York conducted the discussion. Paul F. Clark of Boston, chairman of the session, introduced the general topic.

MR. CLARK: We are dedicating this session with your help and cooperation to the estate settlement or life insurance need, not of the big estate, but the average American estate of \$25,000, \$50,000, \$75,000 or \$100,000.

MR. PIERCE: As Mr. Clark has told you, it was the intention of the committee to make this section apply as much to the small estate as to the large estate, and, consequently, I have selected ten cases at random, half of them being of the larger estates and half of them of the smaller estates where life insurance, if it had been secured, could have saved very heavy depreciation and in several instances almost utter loss.

Life Insurance Can Be Thrown Into Two Classes

Life insurance can be properly thrown into two classes, that which is bought or sold for the purpose of creating estates in advance of accumulating one by the usual methods of saving and investment. Such life insurance has been treated in the programs which have preceded. I take it that monthly income insurance is conservation of estate insurance. After all what are we all endeavoring and striving to build estates for but for the income which estates will produce.

The second class into which life insurance could be properly thrown is that which is intended to prevent estates from depreciation and unexpected loss, together with taxation. It is this class which this morning's program has largely to deal.

The post mortem tragedy of what is likely to happen to estates is reflected in the archives of every probate court in the United States through stories that speak louder than any words that I or any one else can utter. They show the need and necessity for life underwriters to point out and educate people to the fact that as they are accumulating what they believe to be wealth measured in dollars, every dollar that they are accumulating is a depreciated dollar and only worth anywhere from 50 to 60 cents, at the best up around 90 cents.

Average Shrinkage of Estates About 15 Percent

These ten cases which I have had the privilege of looking over indicate to me that the average shrinkage and average loss is about 15 per cent, which, going back to what I have just said, would indicate that where we gain in wealth we are only gaining at the rate of 85 cents on the supposed dollar that we possess.

Now shrinkage in the smaller estate is often greater than that corresponding in large estates, due I presume to the commercial axiom that there is a lower loss on a large volume of business than on a small volume of business.

Estate of California Millionaire Is Cited

Case No. 1 which I am going to mention is that of a California man who died in January, 1919. This man was a man of potential power and commercial influence. His estate at that time was \$5,800,231.21 with debts against this

estate of approximately \$1,000,000. We have the community property law in this state and the widow's community half was found to amount to approximately \$500,000. The cost of administration of this estate was \$82,669.31. The federal estate tax was \$44,142.82, upon which interest was paid amounting to \$17,157.46, because of the inability to acquire sufficient money to meet these taxes within the time limit required by the federal government. The California inheritance tax was \$512,000 and interest paid to the state of California of \$35,876.46, also due to the same reason.

Estate Consisted Mainly of Stocks and Bonds

Now a peculiar condition arose in this estate which may happen and does happen I suppose with many others, and that was that the estate consisted to a large extent of bonds and stocks. One of the principal items in the estate was the stock of a well known listed oil company, and it happened that between the time of death and the time of settlement of this estate this stock shrank in value more than \$530,000, a considerable fortune in itself. This brought the total depreciation of the estate at the date of distribution to approximately \$1,200,000, and that estate having been found to be after the widow's community half was deducted about \$4,000,000; this made the actual depreciation 30 per cent. All the life insurance carried in this case only amounted to \$20,000. Think of it. A man accumulating as he had with only that amount of life insurance.

Two Inheritance Taxes Paid Within a Year

The second case that I am going to bring to your attention is that of a prominent banker. Now a situation arose in this case that is likely to happen with others, and that is that the estate was subjected to two inheritance taxes within a year. This banker I mention died in February, 1920, leaving an estate valued at \$927,676.23. His debts amounted to \$259,765.88, which was wholly notes of his given with collateral security that he used in his different outside business enterprises. The community property exemption amounted to \$250,000, leaving a net taxable estate of \$417,910.35. Now the deceased wrote his will in his own handwriting, leaving \$100,000 to the son and the residuary estate to his wife. He appointed his wife executrix of the estate without bond and gave her the privilege to sell the property without the permission of the court. The amount of life insurance carried in this estate was \$22,000. The amount of the liquid assets, including the life insurance and the cash in the bank at the time of death was only \$60,000, and the debts and taxes and the administration of this estate amounted to \$317,000.

Now there is no record of sales of property but you can judge for yourself what would be necessary to pay those taxes within the required time with only \$60,000 of liquid assets.

Shrinkage Experienced in Smaller Estates

I want to speak now of some smaller estates. Here is the case of a small estate amounting to \$17,393.66, which consisted of real estate, \$5,200; furniture, \$325; a bank balance of a little over \$11,000. The expenses attendant upon the settlement of this estate totalled \$2,487.43, which meant a deduction of 15 percent of the appraised value of the estate at the time of death.

This is another case of a person in the same county having an estate of \$8,156.53 which consisted of a bank balance of \$7,348.69, miscellaneous items and some furniture. The expenses of

the funeral, the taxes, the legal fees, etc., totaled \$1,773.07, making a total deduction of 22 percent.

Another case where a man died leaving only \$1,500 (the above mentioned cases, by the way, had no life insurance) of life insurance, and an estate consisting of real estate amounting to \$18,000 in a section of the country where real estate values have since more than doubled in value. The obligations on this estate amounted to \$6,000, and to liquidate these the widow was obliged to sell a considerable part of the property at a great sacrifice. The unfortunate situation that existed in this case was that the husband desired and wanted to take \$5,000 additional life insurance, but the wife objected, and her objection was sustained by him. If the life insurance had been taken in accordance with his desires, the obligations on this estate could have been liquidated out of the proceeds from this course, and the real estate would not have been sacrificed.

Man Who Did Not Believe in Insurance

I have one other case here that is rather interesting. Here is a man who did not believe in life insurance, in fact he did not believe in any form of insurance. He carried his own fire risk. He found out what the premiums to cover his property on the fire risk were, and each year he set aside a special insurance fund to carry it. He had no insurance at all. He died, leaving a gross estate of about \$4,458,000. He had a few debts, only \$128,000, or thereabouts, small for the amount of his estate, making the net estate about \$4,325,000. The cost of the administration of this estate exceeded \$100,000. The federal estate tax was \$573,000. The Illinois inheritance tax was \$79,000, and a large amount of valuable Commonwealth Edison Company stock had to be sold, in fact, some of the best securities in this estate had to be sold to settle the federal and inheritance taxes. The loss on this estate was 17 percent, which could have been prevented by the purchase of life insurance.

LAWRENCE PRIDDY, New York, former president of the National Association: I am now going to stage the only all-star act that has been given during the four days. I am going to call some people to the platform. All of these people have been writing a million, or two or three million for several years in the past, not hot-air business but actual paid business. First I want to call F. S. Burgess, who, I understand, is the greatest writer on the Pacific Coast, Charles L. Lewin, Dan Baker, Jr., Arthur Finley, Lawrence Choate of Chicago, Miss Anna Kimball of the Pacific Mutual, the star woman performer of this section of the country. It would be a great mistake to close this discussion without having a woman on the platform. R. S. Babcock, Jules L. Charbonneau, Mrs. Bessie Luther, J. L. Bickford, Shaffer, W. T. Rutherford.

MR. BURGESS: The question of inheritance and estate taxes is without any doubt one of the most important subjects that the life insurance underwriter has to deal with. We all recognize the fact that this is the richest country in the world. The congregated wealth of the United States of America places this country in the front rank as to its financial resources. The men and women of the United States who have been able to create an estate large or small can understand the language that you talk to them in when you discuss the subject of conservation. It is the conservation of the big estate, it is the conservation of all the resources of the average American individual, that our life insurance companies have to deal with. This is not a new angle of the insurance business. Just because it became necessary for the United States government, as an outgrowth of the world war, to create what is known as an estate tax against the estate of an individual who died on and after March,

1916, is not new; because inheritance taxes have been charged against the various estates of this country even as far back as the war of 1812.

First Mortgage on All That a Man Possesses

These two great factors have come into the question of the settlement of the estate and have placed absolutely and positively a first mortgage on everything that a man possesses, and he doesn't realize that until he begins to think about it. As a matter of fact there isn't a man who possesses an estate of \$50,000 or more which he can pass on who doesn't have an inheritance tax on his estate as he holds it today. Therefore we must realize that there is a gap created by an economic condition over which the individual has not the slightest control and when we understand that the gap is there and that it can be provided for, it is a very essential line of reasoning to point out to your prospect that although in every other instance he may have made some provision to meet the liabilities and responsibilities of his estate, he must make the same provision to care for the liability of the inheritance tax. Some men will tell you that they have set aside in their estate sums of certain amount. In the case of the keen, careful financier, the estate of a man of several million dollars, and yet he had the total amount of \$20,000 taxes, and he could have decreased that expense from 17 per cent to practically nothing by taking out insurance.

Shrinkage in Estates Over United States

Now, here is a definite case which the chairman has asked me to present to you. Here was a New York estate of \$4,000,000, and this is what happened: The value of the estate was \$4,000,000; federal estate taxes, \$691,000; inheritance or state taxes, \$465,510; executors' and attorney's fees, \$43,160; administration, \$28,000; unpaid income taxes for the year, \$69,000, and the shrinkage in the estate because of certain securities which had to be sold at \$400,000 made a total debt which left but \$2,232,000 for distribution.

Now, coupled with this, I wish to call your attention to the shrinkage in estates all over the United States and calculated by the government of the U. S. itself. These estates range in number about 500.

In estates ranging from \$100,000 to \$150,000, the lowest was 11.6 percent shrinkage, the highest was 20.6 percent and the average was 16.1 percent, ranging up to estates from \$8,000,000 to \$10,000,000 (in number 12) where the lowest was 11 percent, the highest 30.7 percent and the average 20.4 percent.

CHARLES LEWIN, Los Angeles: I am going to give you a specific case in Los Angeles, of the estate of a family named Soboda, an old Spanish estate, administered approximately two years ago. There were four beneficiaries of the estate, which amounted to about \$1,000,000. Of this \$900,000 was in farm lands and absolutely clear and \$100,000 in railway stocks, absolutely clear. The total administration expenses of this estate amounted to approximately \$225,000, including attorneys' fees and inheritance taxes, both state and federal. They had an indebtedness of \$225,000 against the estate and it was necessary to raise that money. The four beneficiaries each decided to do something different to raise that money. It was impossible for them to agree on a single plan. They could not borrow any money against the estate. They could not sell it, because they wanted to hold it and get more at a better opportunity. As a consequence the only thing they could decide was the proper thing to do was to sell the \$100,000 in railway stock. At that particular time the railway stock was just about 50 percent below par. In other words they had to take a loss of 50 per cent on \$100,000, to take care

(CONTINUED ON PAGE 25)

"Write Your Name Here, Please"

BUT before a prospect hears these words, he has been told of the many benefits Life Insurance holds for him and his loved ones, and when he signs on the dotted line, he does so because of certain things he wants to accomplish in the future.

An agent also is looking into the future when he writes his name on the dotted line of an agency contract. He wants liberal first year commissions and good renewals, easy to earn. He wants policies that are attractive, and he wants to be a man among men, and not merely a cog in a machine.

If you are looking for such things—
write in confidence to—

THE CLEVELAND LIFE INSURANCE COMPANY

WM. H. HUNT, President

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Cleveland, Ohio

A Policy You Can Sell

A \$5,000 Policy In *THE UNITED LIFE*
and *ACCIDENT INSURANCE COMPANY*

PAYS

\$5,000, the face of the policy in case of death from any cause.

from certain SPECIFIED ACCIDENTS.

\$10,000, or DOUBLE the face of the policy, in case of death from any ACCIDENT.

\$50 PER WEEK, direct to the insured, in case of total disability as a result of accidental injury, for a period not to exceed 52 weeks; and after that \$25 PER WEEK throughout the period of disability.

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New England Institution

United Life and Accident Insurance Company

Home Office, United Life Bldg.
Concord, N. H.

THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION

Published every Thursday by THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati and New York. EDWARD J. WOHLGEMUTH, President; JOHN F. WOHLGEMUTH, Secretary; H. E. WRIGHT and NORA VINCENT PAUL, Vice-Presidents; WILLIAM A. SCANLON, Southwestern Manager; FRANK W. BLAND, GEORGE C. ROEDING and O. E. SCHWARTZ, Associate Managers.

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Conventions Are Assets to Life Insurance

INTEMPERANCE in anything is bad, and usually results in the deprivation of the majority because of the excesses of the minority. It is too bad that former Superintendent STODDARD of New York felt called upon to criticize the life companies for the manner in which agency conventions are conducted in a few isolated instances. It rather puts a damper on company activities in this direction as they naturally wish to avoid criticism.

At conventions, leading thinkers and producers in the life insurance business are usually on the program. Their ideas and examples can not help but be beneficial to all who attend. Discussion of the point discloses that it is ordinarily estimated that the agent's production will be increased from 15 percent to 25 percent as a result of the inspiration and vision attendance at his company's convention creates. Being gregarious by nature, agents desire to make the trips, and will put forth extra effort that their production shall guarantee their inclusion in the favored list. Can there be any censure of employing this means to protect dependents a little more fully? And can there be any debate if the producer's ability is increased by the multitude of good points he is sure to pick

up at such a gathering? The need for life insurance is too vital to permit such a false economy as the curtailment of such means of disseminating its gospel by every reasonable means.

It is only human that there may have been cases where conventions were conducted on a scale beyond the dictates of good taste. There is little question but that Mr. STODDARD's word will be sufficient to restrain any tendencies toward excess, even if the policy of economy practiced by the companies themselves be for the moment forgotten. It is merely a case of "a word to the wise."

On this point it must not be forgotten that the annual convention of the NATIONAL ASSOCIATION OF LIFE UNDERWRITERS, now just held at Los Angeles, is the tie that binds together many of the life insurance interests of the entire country. Unquestionably this organization has stamped out more abuses which have been detrimental to the interests of the institution of protection and has exercised a policing function over the conduct of the business to such a degree, that it is not at all out of reason to say that we may almost forget all the extravagances of company conventions put together.

Saturation Point In an Agency

DISCUSSION of the question of what constitutes a "saturated" agency—that is, an agency that has all of the agents it can use—brings out a great variety of views. The digest of these opinions really simmers down to the individuality of the general agent himself.

One general agent who has a favorable reputation in his community states that six salesmen is enough for him to handle. He feels that he cannot give the proper time and attention to the service which is expected of him if he has more than that number. In this agency, the service to policyholders is the strong point. Every reasonable effort is made to see that each detail in connection with each policy is made as carefully as though it were the general agent's own.

On the other side, there are men of experience in agency management who feel that there is no limit to the number of men who may be successfully employed. The agency of the UNION CENTRAL in New York, one of the largest in that city, is pointed to as an example. There are at present about 200 men writing, and each month 25 or 30 are added. The dropping is done automatically, as

each man must produce \$100,000 of business a year or resign. In this organization there is ample assistance for C. B. KNIGHT so that he does not have to carry the entire burden of directing his personnel himself.

Another agency in New York which deserves especial comment here is that of the NEW YORK LIFE in the Bowery district. It is managed by C. H. KEDRICH who has 200 agents under him. He exercises personal supervision of his agents himself. Their respect for him is so great that they are careful not to impose on his time unduly.

Some general agents who are large producers feel that their own efforts are sufficient, and that each agent added will cut more than his volume of production from that of his general agent.

The study of the subject leads to but one conclusion, which is that the general agent himself must be governed entirely by his capacities and beliefs. It is very easy to be overpersuaded and to try to attempt results beyond his reach which result unsatisfactorily. Then there are always with us the men who are timid and do not dare build because they are ignorant of their true ability.

PERSONAL GLIMPSES OF LIFE UNDERWRITERS

Dale R. Schilling, has been appointed editorial representative of the "Insurance Field" in Chicago, working under Associate Editor Thomas R. Weddell. He is a daily newspaper man having been on the staff of the St. Louis "Globe Democrat" and then the Kansas City "Star." He served in the war and on his return to this country had two years service with the Union Central Life. Then he went to the Des Moines "Register & Tribune" and Des Moines "News." He conducted the Iowa bureau management of the International News Service.

The following paraphrase on the famous "If" of Kipling's has been penned by Newell C. Day, associate general agent for the Equitable Life of Iowa at Fort Wayne, Ind., who has used it as a formula for success:

"If"
(With apologies to Kipling)
If I can keep my nerve, when unexpected
The Office writes to me to say,
That on A. Jones albumin was detected
So on the app they must say "Nay!"
If when they send me down a contract
rated
For nine years and without and extra
thing or two,
Instead of "crabbing," realize I'm not
"ill-fated."
But go deliver—just like I ought to do.
If when attending monthly meetings I
hear a talk
And know that it is mighty fine,
And pledge myself to do, and then not
balk
Because Bill writes a case I thought
was mine.
If I should fail to write in competition,
And not lose sight of my big goal,
Nor when comparing, stoop to make
omission,
Of his good points, to get him in the
"hole."
If when a prospect curtly tries to tell
me: "No use—
I'm always busy—I haven't time with
you to spare,"
With patience I will speak in spite of
his abuse
Because it's for his family that I really
care.
If I can write a fifty that comes rather
easy
And then not sit around for many days,
But WORK and help the boys and not
act "breezy"
Nor speak of them in slighting ways.
If I can work and do things with pre-
cision
And be persistent when the "average"
stops or fails,
If I will get and give a little bigger
vision
And help my fellow-man to cure his
ails,
If I will be at home on time for dinner
And help "her" do some little thing,
THE WORLD IS MINE—I'll be a WIN-
NER!
SUCCESS for me 'tis bound to bring.

Charles W. Gold, treasurer of the Jefferson Standard Life of Greensboro, N. C., is one of the well known Kiwanis club people in his section. He has been president of his local club in Greensboro, governor in his district and chairman of the international committee on business standards and methods. Mr. Gold is an outstanding figure in life insurance, a man of virile energy, and keen business sagacity.

John B. Cary, of Diggs and Cary, general agents at Richmond, Va., for the Penn Mutual, entertained a number of "old boys" of McCabe's University School of that city at his home the other evening, and was elected vice-president of the McCabe's University School Alumni Association, organized during the evening. After finishing at this school, Mr. Cary learned the rudiments of the life insurance business under his father, the late T. A. Cary, long general agent at Richmond for the Northwest-

ern Mutual. He bears the name of his grandfather, the late Col. John B. Cary, who built up the Northwestern Mutual's agency at Richmond and preceded his father as general agent. J. P. Madison, insurance journalist of Richmond, was elected chairman of the executive committee of the alumni association. He served as instructor in McCabe's School after being a student there for many years, and helped to ground Mr. Cary in the three R's as well as in other branches of learning.

John J. Price, believed to be dean of life underwriters in Indiana, agent of the New England Mutual in Indianapolis, sails on Thursday of this week for Liverpool and will visit a brother, sister and other relatives in England. He will visit the home office at Boston before sailing. He and President Appel were friends in the early days when Mr. Appel was in Indianapolis as an agent. Mr. Price also visited Pittsfield, the home office of the Berkshire, which company he represented as general agent in Indianapolis for a number of years. He used to be very active in local association work and served a term as president of the Indiana Association of Life Underwriters. Mr. Price has been particularly happy in his life insurance work this year and has sold more business than for quite a number of years past. His friends are rejoicing with him in the prospect he has of a visit to his old home.

The Missouri State Life was represented at the 1924 Olympic games by Brutus Hamilton of the Kansas City branch office. Mr. Hamilton is a nationally known track athlete and while at the University of Missouri he was the national pentathlon and decathlon champion in 1920. He entered the Olympic games that year and won second place in the decathlon. Unfortunately in this year's games he pulled a tendon in the broad jump and was forced out of competition in his favorite class.

Clayton M. Hunsicker, a former president of the Philadelphia Association of Life Underwriters, is a striking example of the fact that a real salesman never gets tired of his job. "Clayt" has been writing life insurance for 20 years. He celebrated the 20th anniversary of his connection with the Fidelity Mutual by leading the entire field in production; a feat which he has done so often, however, that his friends were not even mildly surprised. Mr. Hunsicker is one of the best known writers of business life insurance in the country and still has time to be active in religious work.

Vice-President and Agency Manager Winslow Russell of the Phoenix Mutual Life accompanied by Mrs. Russell, left Hartford July 13 for an extended trip west. After one or two stops, including one at the Grand Canyon, they arrived at Los Angeles in time for the national convention. From Los Angeles they will go to San Francisco, thence over the Southern Pacific Shasta route to Seattle, and after spending a few days visiting the company's agency there will go to Jasper National Park for several days' stay at Jasper Park Lodge. In Winnipeg, where they expect to be Aug. 12, Mr. Russell will address a meeting of the Great West Life. On the return trip stops will be made at several of the company's agencies, Hartford being reached about August 16.

H. M. Humphrey of Greensboro, N. C., state manager for the National Life of Vermont has been nominated by the Democratic party to represent his county in the state senate. His election is assured. He is one of the foremost business men of his section.

Secretary T. W. Blackburn of the American Life Convention in tabulating

the report for 1923, shows 143 companies doing business in 40 states. These companies have insurance in force amounting to \$13,410,489,178. This is a gain of \$1,723,112,368 over the year previous. The assets of the combined companies are now \$1,794,449,549, a gain of \$217,846,887 over the year previous.

C. D. Van Vechten, the well-known agency manager of the Northwestern Mutual Life at Cedar Rapids, contemplates retiring this year after 21 years of successful development of a general agency comprising 13 counties in Iowa with headquarters at Cedar Rapids. He is hale and hearty and full of vigor and vision at 85. Upon attaining the grand old age of 85 a number of his Cedar Rapids friends in Masonic circles gave him a dinner and presented him with a past-master jewel set in diamonds. Dr. Harry Gage, president of Coe College, delivered the address.

A dinner party was given a few nights ago in the office of the Ohio state insurance superintendent in honor of **Miss Margaret McGuire**, assistant license clerk, who is to be married Aug. 6, to Walter Savings. A mock wedding was held and Miss McGuire was presented a clock, former Insurance Superintendent Gearheart making the presentation. About 35 were present including former Insurance Superintendents W. H. Tomlinson, B. W. Gearheart, R. T. Crew, and H. L. Conn. The present superintendent, Judge E. L. Savage, is now in the west and could not be present. Miss McGuire has been with the department six years.

LIFE AGENCY CHANGES

Creth & Sullivan

Creth & Sullivan of Philadelphia have announced their appointment as general agents for the Travelers in the life, accident and group departments. Their arrangement permits them to handle both agents' and brokerage business on a liberal commission basis, and gives the downtown insurance district of Philadelphia a Travelers life and accident office capable of rendering a high degree of service. Their fire agency for Philadelphia in comprised of such leading companies as the Insurance Company of North America, Queen and the United States Fire. Creth & Sullivan have completed extensive alterations to their office building at No. 210 South 4th Street, Philadelphia, having attractively created a new counter entrance.

Fidelity Mutual Appointments

J. Alfred Tougas has been appointed manager of the Fidelity Mutual Life for Rhode Island with headquarters in Providence.

Linza Phillips has been appointed manager at Cedar Rapids, Ia.

W. Harry Callahan and Howard E. Paige have been made managers at Hartford, Conn., under the firm name of Callahan & Paige.

Jones & Barrett

Following the appointment of George K. Jones as Connecticut Mutual Life general agent at Indianapolis, Wendell Barrett of the Indianapolis agency and Claude C. Jones, Jr., brother of the new general agent formed a partnership under the title of Jones & Barrett and will be identified with the Indianapolis agency.

Thomas E. Campbell

The Atlas Life of Tulsa has appointed Thomas E. Campbell of Dallas general agent for north Texas. Mr. Campbell has been in the life insurance business for some time. The Atlas is expanding its activities in Texas. An agency plant will be established over north Texas, it is said.

Millie P. MacKnight

Miss Millie P. MacKnight, who for several years was manager of the

The Roll Call of States Offering Splendid Agency Opportunities Includes

Arizona
California
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Illinois
Indiana
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Minnesota
Missouri
Montana
Nebraska
New Jersey
New Mexico
North Carolina
North Dakota
Ohio
Oklahoma
Oregon
Pennsylvania
South Dakota
Tennessee
Texas
Utah
Washington
West Virginia
Wisconsin



Andy Gump

Will not be elected to the Presidency.

He ignores the importance of organization.

Most effective results in putting over a candidate or in putting over a salesman are obtained by the backing of a perfected organization.

No pains are spared by The Lincoln National Life Insurance Company in making its Home Office organization function for the best interests of its field men. Departments are arranged to give perfect alignment of action. Communication between sections is instantaneous. The latest inventions in office devices carry on many routines with the speed of electricity.

The service ambitions of The Lincoln National Life are systematized to give most telling help to all who

LINK UP WITH THE LINCOLN

The Lincoln National Life Insurance Company

"Its Name Indicates Its Character"

Lincoln Life Building

Fort Wayne, Ind.

Now More Than \$325,000,000 In Force

women's department of the Security Mutual in Cleveland, O., has left that company to become manager of the life department for the E. H. Fishman agency with offices in the Williamson building.

William E. Schilling

William E. Schilling of Des Moines, general agent of the Union Central Life has resigned and will devote his entire time to marketing the "Schilling System." He was formerly vice-president of the Pioneer Life of Kansas City. B. H. Ooley, is in charge of the Des Moines office for the present.

Floyd R. Miller

Floyd R. Miller, district manager of the Equitable of New York at Quincy, Ill., has resigned to take the management of the Omaha, Neb., general agency of the Equitable of Iowa. His territory will include Omaha and 22 outlying counties.

C. C. Alm and Mrs. Bennett

C. C. Alm and Mrs. Mary M. Bennett have opened a general agency at Ames, Iowa, for the Equitable Life of New York.

Maryland Life Appointments

Charles G. Nunnemaker of Philadelphia has been appointed general agent of the Maryland Life and C. T. Poole, becomes general agent at Winston-Salem, N. C.

F. H. Biethan

Fred H. Biethan has been appointed district manager for the West Coast Life at Bellingham, Wash.

C. R. Hulston

The Montana Life has appointed C. R. Hulston district agent at Fresno, Cal., in charge of Fresno county. Mr. Hulston was formerly with the California State Life.

EASTERN STATES ACTIVITIES

LOCAL EXAMINERS IMPROVED

Dr. W. B. Carpenter of Columbus Mutual Life Tells of Results Obtained by Ohio Medical Directors

A very satisfactory condition in regard to the standing of local medical examiners in Ohio is found by Dr. W. B. Carpenter, medical director of the Columbus Mutual Life. Dr. Carpenter says:

"There has been a very continuous and noticeable improvement in the work of the physicians who make medical examinations for the various life insurance companies who are doing business in our state. This improvement is in every direction.

"The medical directors of the Ohio life insurance companies have formed an association for the benefit not only of the medical departments of the home offices, but for the improved work of their field examiners. It has been the custom of this association to meet very frequently in various parts of the state, and ask the physicians who represent medical work for the various companies to meet with them for a 6 o'clock dinner and an evening of experience and instruction on various topics that are so necessary for making proper medical reports from the field to the home offices.

"In the several years in which this plan has been pursued the whole state has been covered, but excepting the hot months of the summer, this sort of work will be maintained because great good has already been accomplished and great good will yet be accomplished in many important particulars."

BENSON NOW COMMISSIONER

Harry L. Cooper Resigns Post in Maryland Department to Take Up Private Work

BALTIMORE, MD., July 30.—Harry L. Cooper, insurance commissioner, resigned last week and Governor Ritchie immediately named Carvel D. Benson as his successor to take effect on Aug. 1. Mr. Benson, who succeeds to the post, has been president of the state senate and representative in congress from the second district. His home is in Baltimore county. There is a rumor that Mr. Cooper, who said he resigned to enter private business, will become president of the Continental Life of Wilmington, Del., but Mr. Cooper says there is no truth in the report.

GOOD SHOWING IN HALF YEAR

United Life & Accident Statement Reveals a Healthy Condition in Its Insurance and Financial Operations

The United Life & Accident of Concord, N. H., reports business in force June 30, \$35,132,527 increase, 3,728,158 since Jan. 1. The earned income the first six months was \$775,727, gain \$140,345 over the corresponding period last year. Net earnings for six months were \$38,633. The assets have increased to \$3,283,938 a gain of \$273,728 since Jan. 1. The surplus is \$344,071 a gain of \$13,633. The company paid \$25,000 in dividends to stockholders. It states that the reinsurance contract with the International Association of Machinists has been terminated. The company says that while this results in an apparent

loss of business of about \$6,000,000, the termination of the liability under the contract is a matter of satisfaction to the managers.

The United Life & Accident states that its elimination leaves it with no business on the books except that obtained by the ordinary method of individual solicitation and selection. July 14 was the company's tenth birthday.

Acacia Hold Eastern Rally

PHILADELPHIA, PA., July 29.—The northeast convention of the Acacia Mutual Life was held today in this city. The program included a business session and luncheon in the Robert Morris Hotel. H. W. Palmer, manager of the Philadelphia branch, presided. Henry Burton, also of the Philadelphia branch, delivered an invocation, followed by an address of welcome from J. S. Rupert, manager of the Wilmington, Delaware branch. Other speakers were: Fred Lieberich, manager of the Newark, N. J., branch; R. F. Waring, field superintendent, "Increased Production;" John Fabst, manager for Jersey City, N. J.; William Montgomery, president of the Acacia, "History of the Association;" Sharon E. Jones, secretary of the Pennsylvania and Atlantic Seaboard Hardware Association, "Efficiency;" and E. J. Berlet, Philadelphia manager of the Guardian Life, "Service."

Columbus Mutual Picnic

Officers and employees of the Columbus Mutual Life held their annual picnic last week on the farm of Treasurer and General Counsel S. A. Hopkins near Richwood, Ohio.

To Fete President McBlain

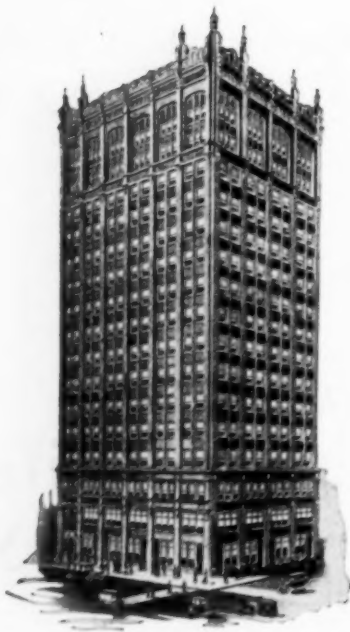
PHILADELPHIA, PA., July 29.—The Insurance Federation of Pennsylvania is making plans for formal exercises of inauguration for Walter G. McBlain, its new president, at his home, York, Pa., probably Aug. 20. This will be the first ceremony of the kind in the history of the Pennsylvania federation and Secre-

"Bringing In the Sheaves"

THE tremendous advance in prices for corn and wheat in the last six weeks has given the farmer a new heart. He is coming into his own, and will soon be "Bringing in the Sheaves."

The Peoples Life is glad to see the farmer getting his rightful share. He will be able to do bigger and better things. He can soon buy the protection for his family and loved ones that he has wanted, but could not afford. Are you equipped to give him the most for his money? Are you able to sell him a policy so sound and so satisfactory that he will regard you as his insurance counsellor?

Peoples Life agents are doing it. They are also "Bringing in the Sheaves."



PEOPLES LIFE BUILDING

The
PEOPLES LIFE
INSURANCE COMPANY

Chicago, Illinois

tary Dette predicts it will be a notable occasion.

Appeal Ohio Tax Case

COLUMBUS, O., July 29—Having lost the case to collect \$80,000 alleged to be due as delinquent personal taxes against 16 insurance companies in the common pleas court of this county, the prosecuting attorney has appealed the case to the court of appeals. A suit against the Aetna Casualty was used as a test for all the cases.

MUTUAL TRUST LIFE MEN IN CONVENTION

(CONTINUED FROM PAGE 5)

O. D. Olson, counsel for company, spoke on "Legal Twists," briefly covering many subjects in his talk and giving some pointers in the writing of life policies. He said that one of the essentials is care in naming the beneficiary in the application, and this is one of the things which should receive more attention by field men. Mr. Olson said that an agent is doing great service when he sees that the application conforms in all respects to the wishes and need of the applicant and comes fully within the law in every respect. He said that the labor of the life underwriter is the work of education and the greatest reward is not from the few who come into the company through his efforts, but from the acclamation of the thousands who cannot be seen by the individual.

Leading Producers Talk

The bulk of the afternoon session was given over to brief talks by some of the leading producers and general agents in various sections of the country, who told of incidents in their past years' work and promised much for the future. Two other home office men were represented on the program, Dr. W. A. Peterson, medical director, speaking on "The Selection of Risks" and A. B. Slattengren, secretary, spoke on "Cooperation Between the Men in the Field and the Home Office."

Knudston Presided

Gilbert Knudston, vice-president and in charge of the agency department, presided at the sessions. President Edwin A. Olson, who is United States district attorney at Chicago, participated in the luncheons both days, giving the address of welcome at the Wednesday luncheon.

Albert Swanson, who is manager of the north side agency in Chicago, spoke Thursday morning. He wrote 70 per cent of his business last year on old policyholders. C. A. Peterson, Fort Dodge, Iowa, the Iowa manager, produced \$2,000,000 of business last year, and he wrote half of it himself. Mr. Peterson started with the company in Chicago. Mr. Swanson emphasized the necessity of developing ability and personality. He said that it is necessary to stimulate confidence among the people for the agent. When they do have faith in a life man, they listen to his advice and follow it. Mr. Swanson said that a man can enter the life insurance business at any age and succeed if he will work and use his ability intelligently. There is a great opportunity for the older men to take up the sale of life insurance.

Aspegren the Leader

O. R. Aspegren of Evanston, Ill., district manager, led the entire field in production last year. He said that it is up to the life man to discover the needs of prospects and then meet them. There are three big needs which life insurance will meet—disability, old age and death.

Rev. S. B. Edmundson, pastor of the Lake Forest M. E. Church of Lake Forest, Ill., gave an inspirational talk.

Albert E. Mieleng, Milwaukee manager for the Aetna Life, has announced the appointment of Rollin J. Anderson, formerly assistant cashier of the Bank of Winslow, Arizona, as district agent for the company working out of the Milwaukee office.

SECURITY LIFE INSURANCE CO. OF AMERICA

O. W. JOHNSON, President

THE ROOKERY, CHICAGO

INSURANCE IN FORCE.....	\$47,024,989.00
ADMITTED ASSETS	5,668,015.25
SURPLUS PROTECTION TO POLICYHOLDERS.....	430,178.10
PAID TO POLICYHOLDERS SINCE ORGANIZATION.....	4,403,769.15

Good Openings in Sixteen States for Personal Producers, General Agents and Managers

Address:

S. W. Goss, Vice-President.

AMERICAN CENTRAL LIFE

Insurance Co.

INDIANAPOLIS
Established 1899

HERBERT M. WOOLLEN
PRESIDENT



HARRISON B. SMITH, President

George Washington Life Insurance Company
CHARLESTON, WEST VIRGINIA

presents opportunity for liberal contracts covering definite territory with Home Office registry and with power of appointment of sub-agents
The States of West Virginia, Virginia, Ohio, Kentucky, Tennessee, South Carolina, North Carolina, Georgia and Michigan

Address

ERNEST C. MILAIR, Vice-President and Secretary

IN THE MISSISSIPPI VALLEY

KANSAS CITY TO GET SCHOOL

Life Insurance Training Course Will Be Given There at Conclusion of Chattanooga Session

KANSAS CITY, MO., July 29.—A summer school in life insurance salesmanship is to be conducted in Kansas City for the benefit of insurance salesmen of Kansas City and the middle west territory. The school is to be conducted by the faculty of the School of Life Insurance Salesmanship of the University of Pittsburgh, formerly conducted by the Carnegie Institute of Technology. This division, in addition to carrying on regular instruction at the university, has conducted summer courses in San Francisco in 1921, Los Angeles in 1922, Seattle in 1923 and in June and July of this year the course is being conducted at Chattanooga, Tenn. Immediately at the close of the course in Chattanooga, the faculty will come to Kansas City and conduct a school running from Aug. 4 to Oct. 3. Charles J. Rockwell, director of the school, will head the faculty at Kansas City.

This is the regular university course and comprises the same instruction given during the university year at Pittsburgh. Tuition for the course is \$100, payable at the opening of the school. Students have already enrolled from several of the cities of the middle west, including Wichita, Topeka, Lincoln, Nebraska, Fort Scott, Kansas, and other points.

AGENCY MAKES BIG PROGRESS

Remarkable Strides This Year Show Value of Systematized Quota Plan As Used

LINCOLN, NEB., July 29.—"The Security Mutual's Nebraska agency has increased its writings 57 percent for the first six months of the year," says Oak E. Davis, general agent, "and we did it by organizing and then going out and getting the business. This has been accomplished largely in two ways. One of these was the employment of as many full time men as we could enlist in our service, men who were trained in our agency offices before they were sent out if they were not already experienced men. The other was by setting up a mark to shoot at and thus keeping the men on their toes all the time aiming away and firing."

"The quota method has shown big results. The one we made for the past eighteen months was \$6,945,000, and we wrote \$6,937,000, or only \$8,000 short of the mark. We impress on our agents the necessity and value to each of them in setting a quota for himself. We urge that this be done at the beginning of the year, setting down so much for each month, and then doing it. Our experience has been that they do it."

"Here were the quotas we set for the agency forces for the year and how near we came to making them: January, quota, \$450,000, wrote \$357,000; February, quota, \$425,000, wrote \$338,500; March, quota, \$450,000, wrote \$357,000; April, quota, \$475,000, wrote \$553,500; May, quota, \$500,000, wrote \$574,500; June, \$550,000 quota, wrote \$580,000. In the first three months, before the agency men caught the full swing and spirit of it, we dropped behind our quota. Now for three months we have overwritten. For the first six months our quota was \$2,500,000; we actually wrote just \$2,714 more than that total. Results prove its value."

"Our quotas for the remainder of the year are as follows: July, \$550,000; August, \$575,000; September, \$600,000; October, \$625,000; November, \$675,000; December, \$750,000. This is a big program, but the grade is not too steep."

Sixty-eight men are represented in the production for the first six months, many of them being late additions."

CONTINUE STOCK-POLICY CASE

Union National Mandamus Proceedings Now Under Advisement, Decision Expected This Week

TOPEKA, KANS., July 29.—The decision of the district court of Shawnee county on the question of whether the Kansas superintendent of insurance can bar the Union National Life of Kansas City, Kans., from operating in this state is expected this week. The application of the company for a writ of mandamus to compel William R. Baker, superintendent of insurance, to issue a certificate of authority was argued before Judge G. H. Whitcomb last week. The court allowed the attorneys for both sides until this week in which to file briefs and has taken the case under advisement.

William R. Baker, superintendent of insurance, does not want his refusal of a certificate to the Union National to reflect in any way upon the five companies doing business under the stock with policy plan before he came into office. He has simply refused to permit any more companies to proceed under a similar plan. He gave out the following statement: "I hope that the action of this department in refusing to issue a certificate of authority to the Union National Life will not disturb the business in force of the five Kansas companies now operating on the so-called 'stock with policy' plan. These five companies have issued more than 12,000 policies in this state for more than \$60,000,000 of insurance. The sixth premium has been paid on some of these, and apparently these policyholders are satisfied with their contracts and with the dividends which have been paid them thereon. The companies are in excellent shape financially and have continued to write an excellent volume of business."

"I sincerely trust that such publicity as may be given the mandamus action brought by the Union National Life against the department will not reflect unfairly on the five companies now operating to such an extent that the

business which they have in force in this state will suffer excessive lapsation."

HE SHUTS DOWN ON PRACTICE

Commissioner Kendrick of Iowa Calls Attention to Violation of Law by Some Companies

DES MOINES, IA., July 30.—Commissioner Kendrick of Iowa has shut down on the practice of a few life companies in issuing policies several months after the medical examination. He says:

"It will be observed that the Iowa statute, Sec. 1783-b, Supplement to Code of 1913, makes a medical examination of the applicant a pre-requisite to the issuance of a policy. The reason for such medical examination is obvious. It is important that the physical condition of the insured be known at the time the policy is issued, and it is evident that an examination made several months previous does not disclose that condition. It is clear that the intent of the legislature was that a medical examination shall be made within such a period preceding the issuance of the policy as to preclude any reasonable possibility of a change in the applicant's physical con-



Courtesy and Promptness

"It is undoubtedly a pleasure to know that within two hours after I received your very courteous and friendly letter in connection with my removal to Texas I was favored with a call from one of your local representatives, who personally offered to fulfill the promises of service contained in your letter."

This letter was made possible by a

Direct Mail System which follows up the policyholder regardless of change of address and maintains Company and Agency contact with him—and

A Service Bureau which sends adequate soliciting information about such policyholders to the resident agent.

That Agents and the Home Office work in close harmony is evidenced by the letter above. **Timely co-operation** turned a small courtesy into a real interview.

For Agency relations write the Home Office.

The Union Central Life Insurance Company

Cincinnati, Ohio

dition between the date of the examination and the issuance of the policy. Any other interpretation of the statute would be unreasonable.

"Section 1783-c, Supplement to the Code of 1913, further provides: 'Should any company decline to file a copy of its form of policies or contracts as provided in this act, the commissioner of insurance shall suspend its authority to transact business within the state until such form of policies or contracts have been so filed and approved.'

"Therefore, it is the ruling of this department that no life insurance policy, except industrial policies in amounts not exceeding \$500 and group insurance, shall be issued in Iowa unless based upon a medical examination of the applicant within such time as to give the company a reasonable opportunity to pass upon the same. A violation of this ruling will subject the company, association or society guilty thereof to a suspension of its certificate of authority to transact business in this state."

IN THE SOUTH AND SOUTHWEST

COLE PROMINENT IN RANKS

Was First Insurance Commissioner of Mississippi and Later Was Lamar Life's President

The recent death of W. Q. Cole, of Jackson, Miss., marks the passing of one of the most distinguished figures in insurance in the south. Mr. Cole's early business training was as a railroad auditor. He was the first insurance commissioner of Mississippi, and left office with a record of honorable and faithful service. The present incumbent, T. M. Henry, served as his deputy.

After his tenure of office as insurance commissioner, Mr. Cole became president of the Lamar Life of Jackson, and the remarkable success of that institution is largely a monument to his management. He assumed charge when the Lamar was hardly out of its early infancy. He had to fight for the very existence of a small and not very resourceful company, and to keep the talons of larger and more aggressive institutions from devouring what there was of it by merger.

Warded Off Stock Raids

Although Mr. Cole never owned a controlling interest in the stock of the company, he was for many years the dominant figure in its management, and he successfully weathered off several stock raids. On one occasion he met the president of another company in Mobile at the latter's invitation, without knowing why he had been asked to visit that city. When the purpose of the interview was made known to Mr. Cole, he said resolutely: "If you want to retain my friendship dismiss this subject from your mind, and never let me hear of your broaching it to anyone else."

Mr. Cole was the conservative type of an executive. He was thorough in everything he did. Although the Lamar's growth was not rapid during the early years of his administration, it was persistent, and the company's success during late years has been partially due to the solid foundation he laid.

Owing to ill health, Mr. Cole resigned the presidency of the Lamar in the summer of 1920. He engaged in the conduct of a local agency in association with one of his sons, leaving the active management to the latter, however.

To the end, he retained an active interest in everything affecting insurance. He was bitterly opposed to the persecution of the fire insurance companies in Mississippi under the regime of former State Revenue Agent Stokes V. Robertson, and had no patience with Mr. Robertson's attitude of continually hounding the insurance department, and his efforts to wrest office from Commissioner Henry.

Changes Investment Plans

LINCOLN, NEB., July 29.—President N. Z. Snell of the Midwest Life has withdrawn from the consideration of the insurance department his application for the creation of a subsidiary company to handle the notes and property taken under mortgage foreclosure, and filed with the state bureau of securities an application for a permit to sell the securities of the Midwest Clearance company, which has very largely the same object in view.

Peoples Licensed in Missouri

The Peoples Life of Chicago has received its license from the Missouri insurance department. The company was recently licensed in Indiana and has organized an agency plant in that state and will now concentrate its efforts in Missouri. Applications for licenses are now pending in several other states, so that the company will shortly have an extensive agency plant in middle western territory.

PHOENIX MUTUAL TO PROTEST

Objects to a New Company at Rome, Ga., Taking a Name That Will Conflict

A new life company recently made application for a charter at Rome, Ga., giving the name of the Phoenix Life. The capital named is \$100,000, with the right to increase to \$500,000. President A. A. Welch of the Phoenix Mutual Life, has in contemplation the entering of a protest to the insurance commissioner of Georgia against the use of a name so nearly resembling that of his company.

Several years ago a life company was formed in Arizona under the name of the Phoenix National Life, which the company considered an infringement of its rights. Protest was made to the insurance commissioner of that state but was not upheld as the Phoenix Mutual was not then licensed to do business in Arizona.

Council for the Hartford company said that Phoenix (risen from its ashes) was not an uncommon name for an insurance company, and it would be difficult to establish that the new company had deliberately infringed the name of the Hartford company. However, the Hartford company has been licensed to do business in Georgia for several years, and that might be a factor in the decision.

It was pointed out that the new company will be limited in its sphere of usefulness to Georgia, where the Hartford company is well established and its agents are well known. The local company does not therefore, anticipate that the Phoenix of Georgia will be a very strong competitor with the Phoenix Mutual of Hartford. Several cases of similarity of name of insurance companies have been presented in the supreme courts of different states, and the new company was required to change its name under the general law of unfair competition, which covers infringement of name.

ALAMO LIFE IS NOW WRITING

Begins With \$100,000 Capital and Like Surplus and Plans to Write \$1,000,000 in 30 Days

SAN ANTONIO, TEX., July 29.—The Alamo Life of San Antonio, which was recently organized with capital of \$100,000 and surplus of \$100,000, is now writing business, having been licensed by the Texas department. The plan of operation is to confine all activities to Texas for the present and, firmly established at home, to develop California and the entire west coast. The policy

We write a complete line of policies—age one to sixty-five. We have all the modern features of life insurance.

General Agency Openings In

MICHIGAN: Dowagiac, Hillsdale, Adrian, Jackson, Ann Arbor, Pontiac, Traverse City, Bay City.

OKLAHOMA: Oklahoma City, Enid, Ardmore, McAlester, Okmulgee, Guthrie, Bartlesville.

OHIO: Dayton, Cincinnati, Toledo, Cleveland, Sandusky.

INDIANA: Indianapolis, Terre Haute.

ILLINOIS: Springfield, Bloomington, Peoria, Decatur, Jacksonville, Joliet, Rockford, Waukegan.

MISSOURI: St. Louis, Springfield, Joplin, Moberly, Jefferson City.

IOWA: Des Moines, Council Bluffs, Sioux City, Davenport, Burlington.

Farmers National Life Insurance Company of America

A. O. Hughes, Vice-President in Charge of Agencies

3401 South Michigan Avenue

Chicago

Safe and Secure for 79 Years

When the Mutual Benefit was organized in 1845 there were only a few Life Insurance Companies in the United States. Through the Wars, Panics and Epidemics of all these years, it has always stood safe and secure as a foremost disciple of Pure Life Insurance.

The Mutual Benefit Life Insurance Co.

Organized 1845

Newark, New Jersey



THE Chicago National Life Insurance Company has special inducements for live agents in Illinois and Indiana, advantageous contracts, standard policy forms, home office co-operation and the influence of 1200 stockholders in both States.

Five thousand leads received last month from our stockholders.

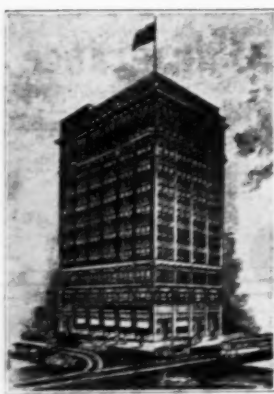
Chicago National Underwriters Co.

INCORPORATED

GENERAL AGENTS

202 So. State St.

Chicago, Ill.



Southland Life

Insurance Co.

HARRY L. SEAY, President

Insurance In Force

\$80,000,000

Admitted Assets

\$8,700,000

The latest in approved policy forms.

Disability Annuity Benefits with first payment IMMEDIATE.

Waiver of Premiums without extra charge.

Double Accidental Death Benefits.

Sub-standard risks are handled as expeditiously as those on standard lives thus insuring to the agent a maximum of service.

Advantageous agency contracts open to men of ability and integrity. Previous insurance experience not essential.

CLARENCE E. LINZ

Vice-President and Treasurer, in Charge of Agents

PHILIP N. THEVENET
Vice-President and Secretary

PAUL V. MONTGOMERY
Vice-President and Actuary

DALLAS, TEXAS

that is featured by the company is an endowment at age 70, the payment being in the nature of a certified payment into a savings account. It is an income bond and in the case of a \$10,000 policyholder, an income of \$100 a month is paid for permanent and total disability. The company expects to write \$1,000,000 in its first 30 days.

Officers of Company

The officers of the new company are Graham Dowdell, president; E. W. Nothstine, vice-president; Merlin Oates, secretary and actuary; Kenneth Wimer, vice-president; Ernest Brown treasurer; T. R. Lentz, associate treasurer, and J. L. Fitzgibbons, agency manager. Dr. J. W. Goode is medical director. Graham Dowdell is a prominent lawyer and investment banker. E. W. Nothstine, has spent practically his entire business career in the life insurance business. He joined the Bankers' Life in 1902 in the Michigan field and was later called to the home office, where he had a large part to play in the development of that company. Kenneth Wimer, is a prominent financier in San Antonio. J. L. Fitzgibbon was associated with Mr. Nothstine in the Bankers' Life and has been a resident of Texas for the past

two years. Ernest L. Brown is vice-president of the Alamo National Bank.

Folsom Heads Agency Club

G. C. Folsom of the C. M. Lowe general agency of the Southern States Life for Florida, was elected president of the Anniversary Club of that company at its seventeenth annual convention held at Charleston, S. C., last week. Vice-presidents for the ensuing year were chosen as follows: Edward Swaim, Tennessee; G. J. McDowell, South Carolina; Jesse F. Collins, Alabama; Gearry W. Williams, Florida; Joseph W. Vinson, Georgia; C. F. Falls, Texas; J. A. Yowell, Tennessee.

Take Over National Union's Business

The business of the National Union Life, which was recently placed in the hands of a receiver, has been transferred to the American Insurance Union of Columbus, O., by the approval of the Oklahoma county district court, the Oklahoma insurance commissioner and the Ohio insurance commissioner. There were \$28,000 unpaid claims listed against the company; it had \$1,500 assets listed and had \$1,000,000 business in force.

IN THE ACCIDENT AND HEALTH FIELD

HOLDS RECOVERY PRECLUDED

Case of an Accident Policy Involving Intentional Shooting of Assured by Police Officer

Intentional shooting of insured by police officer held to preclude recovery under accident policy. In *Continental Casualty vs. Klinge*, decided by the appellate court of Indiana, 144 N. E. 246, an action was brought to recover under an accident policy which provided, in part, as follows:

That the policy "does not cover any loss * * * which results from the intentional act of the insured or of any other persons," excepting "assaults committed upon the insured for the sole purpose of burglary or robbery," and "assaults incurred by the insured while engaged in the proper performance of his occupation, and provoked solely thereby."

The insured was a watchman and about 4:00 in the morning left his place of employment to get a lunch at a nearby restaurant. On the way to the restaurant he fell in with one Winger. As they passed an alley in which an automobile was standing Winger said:

"Watch how quick I can take off a tire."

Takes Off Automobile Tire

The insured advised Winger not to take off the tire, but, it appears, he proceeded to demonstrate his ability in this respect. The automobile belonged to a police officer who arrived on the scene as Winger was removing the tire. As the officer approached insured and his companion fled up the alley. The officer commanded them to halt. They did not obey, and the officer fired inflicting a wound on the insured that resulted in his death. On this state of facts, the court, in reversing a judgment that had been rendered against the insurance company in the trial court, among other things, said:

"There is no evidence whatever that the shots fired were for the purpose of burglary or robbery, or that the injury which resulted in the death of insured was incurred by him while performing the duties of his occupation, and provoked solely thereby. * * * The evidence affirmatively and without conflict shows that the injury which caused the death of insured resulted from the intentional act of the officer who did the shooting. * * * Clearly, then, the death of insured * * * comes within the exception in the policy."

PLAN BELIEVED ILLOGICAL

"Double Benefits" Clause for Railway Accidents Looked Upon as Antedated at Present Time

The "Double Benefits" clause in the present day accident policy is not a logical one in consideration of present day accident losses. This clause which usually provides that accidental death in a train accident, while on board a street car or steam vessel, brings double payment to the beneficiary was introduced in the days when traveling was more or less a novel experience for many people and was considered extra hazardous. It is well known today that traveling by train is by no means extra hazardous and that the traveling man is one of the most profitable classes written by the accident companies.

Like Double Indemnity Appeal

The appeal of the "Double Benefits" clause was intended originally to be the same appeal that the life insurance man uses in selling the double indemnity clause for a life policy. He tells the prospect that no matter how he dies, a definite sum will be paid to the beneficiary and that if he dies in the early years of life, it is likely to be by accident and in that event, the amount received by the beneficiary will be doubled.

Would Appeal for Auto Accidents

It is doubtful whether the accident companies desire to increase their loss ratios by offering double benefits for occurrence of deaths by automobiles, today, a real and definitely known extra danger. A provision for double indemnity in the event of death in an automobile accident would make a real appeal to thousands of people.

New Policy Gotten Out

The United States National Life & Casualty has gotten out a new policy known as the "Popular Disability Policy." There will be no policy fee. Premiums are paid on the annual, semi-annual, quarterly or monthly basis. An assured can get immediate benefits if he desires. The premium for the average risk with \$1,000 principal sum and \$100 a month accident and health benefits is \$24. This does not cover the first week of illness. If the first week of illness is covered the premium is \$36 a year. The policy will be sold up to \$10,000 principal sum and \$500 per month disability.

NEWS OF LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values and all Changes in Policy Literature, Rate Books, etc., Supplementing the "Unique Manual Digest," published annually in May at \$3.50 and the "Little Gem" published annually in April at \$2.00.

CHANGES MADE IN POLICIES

Conservative Life of South Bend, Ind.
Makes Announcement of Revisions
in Its Contracts

The Conservative Life of Iowa, has revised its disability clause and is issuing a new term to 65 policy.

The waiver of premium paragraph of the old clause recognized disability as permanent after the insured had been totally disabled for 60 days, but income payments did not begin until one month after proof that disability had existed one year.

The "if after one year from date of receipt of proof as aforesaid, due proof of the continuance of such total and permanent disability be furnished" has been taken out of the clause so that it now reads to the effect that payments begin one month after proof of disability having existed 60 days. This makes it practically a 90-day clause. This is done without a change in rates.

The term to age 65 policy may be converted within 11 years provided the insured is not over 60. This is not a yearly renewable term, but a policy issued for the term of years between the present age and age 65. Cash, paid up insurance, extended insurance, loans and automatic premium loans will be granted on this policy.

Rates for this policy are given herewith:

Age	Prem.
20	\$12.81
25	13.73
30	14.88
35	16.38
40	18.35
45	21.00
50	24.61
55	29.42

ISSUES NINE NEW POLICIES

Farmers & Traders Life of New York
Adds Features to Line of
Contracts Offered

The Farmers & Traders Life of Syracuse, N. Y., has issued a series of nine new policy forms, as of Aug. 1, on the guaranteed reduction optional increasing insurance plan. The policies are to be issued at all ages from 15 to 55 on ordinary, 20-pay, 15-pay, and the endowment plans. The company's new rate book goes into effect on the same date.

Special features of these policies are as follows:

1. Contract provides for increasing insurance (paid up additions) payable at the death of the insured or the maturity of the contract as an endowment.
2. Payment of either the maximum or minimum premium optional with the insured at any anniversary date of the policy.
3. Maximum premium may be applied to shorten the premium paying period of the policy.
4. Cash value of the additional insurance available at any anniversary date of the policy.
5. Loan and surrender values available after the second annual premium has been paid.

The following schedules give the premium rates on several of the guaranteed premium reduction forms:

Age	O. Life	P. Red.	20 P. L.	P. Red.
	1st	Ren'l	1st	Ren'l
15	\$15.86	\$11.75	\$25.48	\$18.35
20	17.52	13.02	27.45	19.77
25	19.63	14.64	29.85	21.49
30	22.35	16.57	32.49	23.53
35	25.74	19.31	36.03	26.39
40	30.68	23.38	40.53	29.92
45	37.34	28.69	46.81	34.86
50	46.43	36.11	54.37	41.31
55	58.78	47.00	66.55	50.84

(CONTINUED ON PAGE 24)



SALESMANSHIP

Material in the Salesmanship Section will be classified and marked for insertion under the following major divisions, each tabbed in the bulletins for ready reference: General Information, Salesmanship — General, Agency Training, Commercial, Monthly Premium, Group, Weekly, Limited Policies, Railroad and Non-Cancellable.

POLICY ANALYSIS

An analysis of the commercial policies of 87 leading companies, about 400 printed pages, in loose leaf form, will be sent out with the first issue. Additional pages will be added each month until policies of all important companies are covered. All material in this section will be kept up-to-date and analysis of new policies of companies represented in this section will be furnished as such policies are issued.

Remember, the best idea in the world is of no use unless IT CAN BE PUT TO WORK WHEN YOU NEED IT. Reading and forgetting, or reading and clipping and filing and losing pay on dividends. Ideas you want, AVAILABLE WHEN YOU WANT THEM, are the only kind you can turn into cash.

Make sure that you will get these Bulletins from the first issue as an aid to the building of a bigger business for yourself, your company and your agency. Get this sales information at your elbow in such form that you can turn the tested plans and ideas of others into cash for yourself. Ask for more detailed information.

A SPECIAL Salesmanship and Policy Service for Accident and Health Men

A Loose-Leaf Mimeographed Salesmanship Section Furnishing In Permanent Form

Proved Sales Methods and Plans.
Graphic Illustrations and Diagrams for Use of Salesmen. (Printed.)
Best Sales Talks.
Best Answers to Prospects' Objections.
Best Sales Letters for Preparing the Way.
Personal Efficiency and Planning Suggestions.
Prospect Survey Planning Methods.
Best Closing Ideas.
Agency Training Information.
Accident Statistics for Bulletins, Letters and Canvassing.
Office Helps and Short Cuts.

What you do in effect when subscribing for the A. & H. Bulletins, is to employ a person at a few cents a week to collect for you from all available sources all of the best ideas on salesmanship in your business, arrange and classify them for instant reference and place them on your desk ready for use.

And then you have this information permanently bound where it cannot be lost.

A Common Experience

Without doubt, you have many times received a valuable sales idea or suggestion from your reading of a bulletin or magazine and you have said to yourself, "That's a good one, I'll try to remember it and use it in a canvass or a bulletin." Or possibly you have attempted to maintain some organized form of salesmanship file and you laid the bulletin or paper aside expecting to clip it and file the item a little later in the day and then you know what happened. You become engaged in carrying on other phases of your work and the filing is never done. And the truth is that practically no insurance men have satisfactory methods for keeping sales material ready for use, partly because they are working upon tasks which are more important.

The National Underwriter Company,
420 E. Fourth St.,
Cincinnati, Ohio.

Send me complete information about your A. & H. Bulletins.

Name

Company

Street

City and State

We have openings in Ala., Ark., Dela., D. C., Fla., Ga., Ill., Ia., Kans., Md., Mich., Minn., N. M., N. C., Okla., S. D., W. Va. and Wyo.

Our Agents Have A Wider Field— An Increased Opportunity

Because we have

Age Limits from 0 to 60.

Policies for substantial amounts (up to \$5,000) for Children on variety of Life and Endowment plans, thus enabling parents to buy all of the Family's insurance on the Ordinary, i. e. Annual, Semi-annual or quarterly premium plan.

Participating and Non-Participating Policies.

Same Rates for Males and Females.

Double Indemnity and Total and Permanent Disability features for Males and Females alike.

Standard and Substandard Risk Contracts, i. e. less work for nothing.

THE OLD COLONY LIFE INSURANCE COMPANY of CHICAGO

B. R. NUESKE, President

THE MUTUAL LIFE

The Mutual Life Insurance Company of New York has a record of EIGHTY YEARS of prosperous and successful business. It has passed through panics, pestilence and wars unharmed, and to-day, as a result of eight decades of endeavor, offers financial strength, reputation, magnitude, leadership, and life insurance service.

Those considering life insurance as
a profession are invited to apply to

The Mutual Life Insurance Company of New York

34 Nassau Street, New York

Insurance Record, 1923

New Insurance . . . \$ 96,148,025

Insurance in Force . . 719,421,634

Increase of \$58,623,876 which is 61%
of the New Business

New England Mutual Life Insurance Company of Boston, Massachusetts

Northwestern National Life Insurance Company

Minneapolis, Minn.

Mutual	Legal Reserve
Assets	\$16,666,178.00
Surplus	\$1,427,367.00
Insurance in Force	\$173,309,166.00
The COMPANY has \$109.37 of assets for each \$100 of liabilities	
Rate of Interest Earned, 1923	6.20%
Mortality, 1923	41.3%

Liberal direct agency contracts available in Pennsylvania, Virginia, Southern Indiana, Southern Ohio, and Kentucky to men of ability and record of successful results in personal production and organization.

Age	20 Yr. End.	25 Yr. End.
15	\$48.22	\$38.82
20	48.43	38.94
25	48.89	39.14
30	49.66	39.57
35	50.63	40.18
40	52.22	41.20
45	55.57	43.12
50	61.09	47.11
55	70.22	54.66

Age	O. Life	20 P. L.
15	\$18.70	\$15.04
20	21.20	17.06
25	24.47	19.69
30	28.87	23.23
35	34.20	28.02
40	41.82	32.96
45	55.57	43.12

CAN WRITE LARGER AMOUNTS

Equitable Life of New York Through Reinsurance Arrangements Can Increase Its Line

The Equitable Life of New York announces that it has made reinsurance arrangements whereby it can now accept substantial amounts in addition to those which the company itself is willing to retain for its own risk. For example, at ages 25 to 50 the Equitable's limit for standard insurance on plans other than term is \$200,000 new insurance or \$300,000 aggregate. To this it is now able to add \$400,000 for reinsurance, making the total of \$600,000 new insurance or \$700,000 aggregate limit. In the case of female applicants the amounts of reinsurance obtainable are approximately 45 percent of the corresponding figures for male lives. The amount of reinsurance obtainable is in all cases reduced where the reinsuring companies already have insurance in force on the life.

Of the amount of life insurance so accepted for reinsurance, \$12,500 may carry double indemnity and regular disability benefits, or \$50,000 may carry waiver of premium benefit only. The Equitable announces that insurance carrying these benefits will not be written for reinsurance unless it already has its limit of life insurance in force on the life.

The Western States Life of California is now insuring monthly premium policies at a minimum premium of \$5, though minimums have been \$10.

BIG GROUP POLICY WRITTEN

Line of \$50,000,000 Placed on Northern Pacific Employees, Third Largest in the Country

ST. PAUL, MINN., July 29.—Charles Donnelly, of St. Paul, president of the Northern Pacific Railroad, announces the company is about to place group insurance totaling \$50,000,000 on the 30,000 employees of their road. Employees who have been with the company less than one year will have \$250 coverage and those who have been with the company more than one year \$500 each. The group insurance contract will permit the employees to take up to \$3,000 each on the contributory plan, the additional insurance costing them but 70 to 80 cents per thousand per month. Thus it is estimated that the full coverage under this one contract may reach \$150,000,000. The group insurance has not yet been placed but a number of companies are negotiating for the contract. This is the third largest group written in the country and is only exceeded by that of the Southern Pacific and the Union Pacific railroads.

A short time ago the first year ended of the group insurance written by the Metropolitan for the shop employees of the Great Northern. Although about 8,000 men were protected under this group but \$84,000 was paid in claims during the year. Because of this favorable experience the Metropolitan returned to the Great Northern a dividend of \$28,000. As a result, when Howard Potter of Chicago, division sales manager of the Metropolitan for the territory, came to see about renewal of the contract, the Great Northern doubled the former insurance. Each shop man is now protected with \$2,000 life insurance, \$2,000 for accidental death and \$20 a week for sick benefits. Mr. Potter also wrote an additional policy for the Great Northern covering the exempted executive employees of the road for an approximate total of \$5,000,000 insurance, each such employee securing from \$2,500 to \$10,000 insurance, according to respective salaries.

The Empire Life of Kansas has been admitted to Arkansas.

WITH INDUSTRIAL MEN

LOOKS FOR QUALITY BUSINESS COOPERATION IS NECESSARY

Thomas G. Bermingham of the Western & Southern Gives His Observations on Successful Canvassing

Superintendent Charles Hermann of the Prudential at Philadelphia Gives Some Views on the Subject

Thomas G. Bermingham, a Chicago agent for the Western & Southern Life, is always in search of quality business, the business which gives satisfaction to the company, the insured, and the agent. This type of business can be secured only through selling the kind of policy which the prospect is best able to buy and which best fits his needs. In writing industrial insurance, Mr. Bermingham usually mentions the monthly premium. If the prospect says that he understood that he could pay by the week, Mr. Bermingham replies, "Why, of course you can, but surely you don't want me bothering you every week."

Punctuality Important

Having thus secured the policy, he is always polite and courteous. Advance payments can be secured in the homes of laborers as well as in those of their employers, and arrears can accumulate in the home of the mistress as well as in that of the maid.

Mr. Bermingham finds it advantageous to learn how much insurance is being carried in other companies, not to try to twist any of it, but that he may be better equipped to sell more insurance there. He keeps well posted on current topics, and is continually studying salesmanship in general, and life insurance in particular.

Charles Hermann, a superintendent at Philadelphia for the Prudential, says that cooperation is the foundation of success in any line of work. In support of this belief he quotes the following: "When every great success has been achieved, there has been cooperation." Cooperation is especially necessary between the field and home office and between the field staff and district offices in industrial insurance.

Mr. Hermann tells about one agent who had been in the service for several years, but in spite of considerable ability, was making a poor showing because he was working at cross purposes with the assistant. He was about to quit, but he was shown the need of cooperating with the assistant and urged to remain in the service. He agreed to act on this advice, and in a short time became one of the leaders in his district through cooperation with the assistant. In all branches of the work he was changed from a failure to an outstanding success.

Great things can be accomplished by cooperation, but most people are too weak to accomplish much without the moral, physical and mental support of all those with whom they are associated.

Shillingburg Named Vice-President

W. J. Shillingburg, who recently resigned the superintendency of the Lee

district of the Metropolitan Life at Richmond, Va., after being in the service of that company for many years, has been elected active vice-president of the Virginia Life & Casualty of Richmond and in that capacity will supervise the entire agency organization of the company. He has already entered upon his new duties. Fred C. Neikirk, manager of the life and accident department, will cooperate with him in developing the company's industrial business. Mr. Neikirk was formerly agency manager at Richmond for the Reliance Life.

National L. & A. Promotions

E. A. Martin of the Baltimore district of the National Life & Accident, has been promoted to a superintendency there. Mr. Martin has established an unusual record as an agent, and is well qualified for the responsibility of his new position. F. R. Sowell has been promoted to a superintendency at Detroit, in recognition of his consistent record of production.

News of the Prudential

Clella R. Medsker, formerly superintendent for the Prudential at New Albany, Ind., was transferred to take charge of Indianapolis No. 2, succeeding former superintendent James H. Hughes. Charles Hermann, formerly superintendent of Philadelphia No. 6, was transferred to become superintendent of New Albany, Ind.

CASES WHEN INSURANCE WOULD HAVE ASSISTED (CONTINUED FROM PAGE 15)

of immediate expenses, and to further mortgage the estate at a later date.

I learned yesterday that this estate has been finally administered with huge total costs, owing to the delay and the fact that they could not agree, that the real estate value of their farm land has diminished, so that there has been the tremendous shrinkage in that estate of \$300,000. It is a very difficult situation for a life insurance man when he has to feel that he has failed. But in this case I do not think that I have been a failure. I attempted to sell that deceased. I called on him repeatedly, and I failed. But I should have succeeded in making that man realize the advantage of inheritance tax insurance and it would have been of great value to his family if I could have interested him in such a policy.

MRS. BESSIE LUTHER, Detroit: This case which I want to bring to your attention is that of a man who died about five years ago, leaving an estate of between \$2,000,000 and \$3,000,000. He had been a very prosperous merchant, owning a department store in a middle west city of about 100,000 population. His wife was an untrained business woman, but she was made executrix, without bond, and having absolute control of the estate. The securities this man owned had been placed in several different states, following the policy many men have of "not placing all their eggs in one basket." He did not believe in life insurance and left only a small amount of cash to take care of funeral expenses, his last sickness, etc. The various state taxes on the securities were very heavy, and there were few liquid assets because the home was sold to help with the current expenses attendant upon the man's death. The man who took charge of the business for the

widow and in whom she had absolute confidence absconded with the funds of the company and left matters in such an involved condition that within two years the widow had lost the business. About three weeks ago I met a woman who was a personal friend of the wife, who told me she had just had a letter from her old friend in which the widow said that she would be very glad indeed to have my friend visit her, and that she was very anxious to see her again, but that it was absolutely out of the question, because she and her daughter were living in one room, and almost penniless, and had left from her husband's estate only enough for the very meagerest existence.

R. S. BABCOCK, Los Angeles: Here was an estate of \$750,000, of which \$150,000 was invested in a large lot which was in process of being leased for \$16,500 a year, or a valuation of \$250,000 at 6 percent, on a 99-year lease; \$100,000 was in income property producing \$4,200 per year; \$80,000 in property bringing in \$8,000 a year; \$175,000 was in a ranch, and the man had contracted for \$30,000 in the way of trees to be planted and other improvements; \$40,000 was in the value of the home, clear; \$35,000 was in stock of a local industrial institution which has paid no dividend; \$30,000 in mortgages and trust deeds and personal notes; \$125,000 in non-income producing land; \$15,000 in cats and dogs.

Intentions Not Clear

This man was married to his second wife. He had a contract to pay her \$500 a month in case of his death, but he didn't say anything in that contract about the community property law. He intended that the \$500 should come out of the 99-year lease. He had four children, who he expected would receive his entire estate, outside of the \$500 a month to the second wife and the home, which he intended his wife to have.

There were \$92,000 inheritance taxes on the basis of this being a separate estate, but there is a question of whether the man did maintain his estate separate, and there is a law suit pending among the children involving community property. The taxes are \$11,200 and you can figure for yourself the small amount of cash to meet all that man's obligations besides the potential shrinkage on the consummation of the lease and the lawsuits which are pending. I leave it to you whether that man should have had life insurance to pay his inheritance taxes and cover those expenses.

SEATTLE, WASH.—The Seattle Life association held a special meeting Monday night in honor of Dr. S. S. Huebner of University of Pennsylvania who spoke along the same lines as in the Los Angeles meeting. T. W. Blackburn, of the American Life Convention also made a short talk. Over 200 members were in attendance in addition to some of the insurance commissioners, J. E. Williams, Phoenix Mutual, president of local association presided.

The local association also gave a breakfast Wednesday morning for Winslow Russell of the Phoenix Mutual, who spoke especially of the Princeton University case as setting a precedent which was likely to be followed by other colleges, labor organizations and others, this constituting a serious menace to the business.

Attractive Agency Openings in Thirty-Five States

To Agents who are Master Masons we offer:

Liberal First Year Commissions—
Continuous Renewals — Real Home
Office Cooperation.

We issue all Standard Forms of Old
Line Legal Reserve policies to Master
Masons only—at Net Cost

Insurance in Force over \$160,000,000—
Assets over \$10,000,000.



ACACIA MUTUAL LIFE ASSOCIATION

HOMER BUILDING

WILLIAM MONTGOMERY, President

WASHINGTON, D. C.

"SAFE AS A GOVERNMENT BOND"

The OHIO STATE LIFE

LIFE, HEALTH, ACCIDENT AND MONTHLY INCOME INSURANCE.

SEE → LATEST POLICIES AND AGENCY CONTRACT FOR FACTS

Openings Ohio, Ind., Ky., Mich., W. Va., Tex. and Okla. Write Columbus



Pictures Tell the Story

Cartoons will give your house organ that all necessary sparkle. Use them to put over your message or your special sales contest. Send for proof sheets.

BUSINESS CARTOON SERVICE
35 South Dearborn Street, CHICAGO

Premiums once reduced are permanently lower

War, Flu or other catastrophe can not raise them even to their original level as would be the case in "participating" insurance if "dividends" were decreased or passed.

Do you know of any non-participating policies which provide for sharing in mortality savings and excess interest earnings? Premiums have been reduced under several forms of policies since 1919 and this unique feature is now regularly embodied in all forms of the low-rate non-participating policies issued by the

FEDERAL UNION LIFE

Home Office—Cincinnati, Ohio

A text book for beginners, a review book for experienced men, a book that every life insurance man should have—Jacob A. Jackson's "Easy Lessons in Life Insurance." \$1.50, including Quiz Book supplement. The National Underwriter, 1362 Insurance Exchange, Chicago.

JOHN W. DRAGOO, Secy.

J. H. LEFFLER, Pres.

WESTERN RESERVE LIFE INSURANCE COMPANY

HOME OFFICE WESTERN RESERVE LIFE BUILDING
MUNCIE, INDIANA

WESTERN RESERVE LIFE INSURANCE COMPANY, MUNCIE, INDIANA, insures the whole family from one year to sixty years of age. An OLD LINE LEGAL RESERVE COMPANY noted for its prompt payments of claims and service rendered to policy holders.

Fine agency openings in Indiana and Ohio

—WRITE TODAY—

A young company with great opportunities

New Policies

New and appealing line of policies being written.

Rates exceptionally attractive.

Unusual contracts to agents.

Several splendid agencies open in Iowa.

Write for information.

Louis H. Koch, President

**NATIONAL
AMERICAN**
LIFE INSURANCE COMPANY

Burlington, Iowa

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Consulting Actuaries
Life Insurance Accountants
Statisticians
20 South La Salle Street, Chicago

JOHN E. HIGDON (Actuaries & Examiners)
JOHN C. HIGDON 600 Gates Building
Kansas City, Mo.

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MONTHLY PLAN GROWS

USED FOR LARGER POLICIES

Premiums Often Are \$100 and Even as
High as \$1,000 Per
Month

LINCOLN, NEB., July 29.—An unusual development of the monthly payment method of providing for the prompt meeting of annual premiums on life policies when they fall due is reported by C. C. Carlsen, head of the Lincoln Trust company. This plan was originally intended as a help to small policyholders who find it difficult ordinarily to gather together at one time enough to meet premium payments and whose income must be budgeted carefully if the insurance is to be kept up. The company now finds that most of the contracts it possesses are with men and women carrying from \$10,000 to \$50,000, whose monthly payments run from \$20 to \$100.

The largest contract is with a Lincoln manufacturer who pays \$12,231.60 a year in monthly payments and finds it a convenient method. A number of life agents have placed these monthly payments contracts on their own volition as a means of insuring their renewal commissions.

COMMISSIONER DUNHAM DISCUSSES RESERVES

(CONTINUED FROM PAGE 6)

published (1911). The effect of the changed conditions upon this claim reserve will, however, be seen to be quite opposite to its effect on the reserve for active lives.

More Claims Are Approved

Under the more liberal interpretations now used and particularly in view of the so-called three months clause, the companies approve a great many more claims than formerly. Now as soon as a claim has been approved the full reserve is set up, with no allowance for the probability of recovery. But ostensibly many claims are approved which eventually prove to be temporary and on which future payments are later stopped. The result of course is that the reserve has been over-stated for these claims. Assuming, then, no radical divergence from Hunter's table in the mortality among disabled lives, the logical conclusion is that the claim reserve of most companies is over-stated.

Conclusions Regarding Disability

There is very little which can be said with certainty regarding reserves for total disability benefits. This form of coverage is apparently becoming more popular all the time, and the percentage of life policies to which it is attached is constantly increasing. And remarkable as has been its development during the past few years, there is no reason to believe that this coverage has yet advanced even approximately close to its ultimate limit. I can see no objection to having life companies issue accident and health benefits in conjunction with life policies, with the idea of giving just as complete personal insurance as possible in one contract. This, of course, provided it is accomplished by sound underwriting and that the companies' resources are ample to assume the risk.

Advantages in the Plan

There are advantages in this plan over the issuance of separate accident and health policies. Of course the acquisition expense is much lower, not only in regard to commissions, the life companies paying only a small renewal, but in all respects from the very fact that one contract is issued instead of two or more. I believe also that the combination increases the persistency of good business and reduces the selection against the company.

The reserve situation is unsatisfac-

tory, admittedly so, I venture to say. Probably the total reserves carried by the companies are adequate. Some companies voluntarily increase Hunter's reserve. I certainly would not recommend any statutory change to a higher reserve basis. Indeed there is no such higher basis which could be prescribed. The need is obviously for a new table. It is the opinion of most of the interested parties that the time for the preparation of such a table is not ripe, on account of the meager amount of experience available, and of the serious limitations even in connection with this.

Technical Factors Involved

Even if the data upon which a standard table to be constructed were homogeneous enough for practical purposes, there are technical factors involved which would render a resulting experience at least misleading. The bulk of the experience is based upon lives recently insured upon which the rate of disability is obviously much less than it will be when the effect of medical and underwriting selection has worn off. The rate of disability that would be obtained from any experience that might now be worked would grossly understate the true rate of disability that should be reflected in a standard table.

Special Hazard Features

Other technical problems are involved in the mortality rate after disability. So little experience on this has resulted that the mortality rate is unduly influenced by the mortality from diseases that result in death soon after disability, and too little weight is given to the mortality among the blind, certain forms of insanity and other causes where death may not occur for a long time after disability. The important point in both these technical problems is that a table based upon immature experience in either respect would probably result in inadequate premiums and reserves.

Many of these factors would influence the experience because of the difference

between companies and between practices of the same company at different times, and many of these factors would influence the experience fundamentally. The standard table should reflect the future. In this case the past has changed so rapidly that it is not a reliable guide for the future.

Should Plan for Future

I believe most companies are watching the situation carefully. We should lay plans, however, for the future preparation of new tables upon which to value these benefits as soon as possible and the companies should be urged to a realization that such a work will be promoted by a tendency to strive for more or less uniformity of coverage and will be hindered by the tendency to diverge from each others' contracts in all possible directions.

Write Record June Business

LOS ANGELES, CAL., July 29.—The "Keep the White Spot White" special drive of the home office agency of the Pacific Mutual Life, at Los Angeles, closed on July 20th, with a total production of new business, completed by medical examination and settlement, aggregating 1,173 applications for a total of \$5,556,330. The campaign covered the period from June 1st to July 20th, and as compared with last year it establishes a new high record, as during the same period of 1923 only 1,077 applications were written, for a total of \$5,518,124. The purpose of the drive was to demonstrate to the life insurance world generally, and particularly to visiting members of the profession attending the convention of the National Association of Life Underwriters at Los Angeles, that the "white spot" of southern California is still entitled to a prominent place on the commercial map of the United States.

EVERY man's ability has its limit, but he who fails to recognize the boundary often goes beyond it.

An Old Line Legal Reserve
Company has desirable General
Agencies available in Illinois
and Missouri for men who can
furnish records as producers and
organizers. This is an unusual
opportunity for the right men.

Address J-83

Care The National Underwriter

MODERN BUSINESS GETTING METHODS

PUBLIC MUST BE MADE TO REALIZE THE ADVANTAGES OF LIFE INSURANCE

"THE life underwriter who takes his proper place in the political, religious and social affairs of his community, who is always found helping in every worthy public movement, and who is always alert to meet and serve his fellow citizens is not going to be at a loss as to where to find prospects or what to do with any idle moments he has."

No Short Cut to Business

That's the view of James Blair Harris, district agent for Amicable Life of Waco at Dallas. "There is no short cut or royal road to written, examined and delivered business," Mr. Harris says. "The constant exposure to business is the unfailing source of substantial production. The bulwark of any life underwriter's success is a constant mingling with his public, and the personal, intimate touch with a steadily increasing clientele."

Mr. Harris admits various schemes for locating desirable prospects have their merit. He says the many plans of approach and the different methods of closing up contracts advocated by successful underwriters are worthy of study, but after all a life insurance agent should be "one of his community, part and parcel of it," if he expects continued success.

Mr. Harris is one of the big producers in Texas. He has been in the game for years and has always been characterized as a successful life underwriter. Discussing the business he said:

"One of the strongest factors in any life underwriter's success is a realization that human needs are infinitely variable, and just as human needs vary in individual cases, so must the life insurance program of each individual vary from that of his neighbor. Recognition of this fact will prevent the underwriter from selecting some one form of policy and trying to cram it down the throat of every prospect. Rather the trained underwriter will study the needs of each prospect, consider his responsibility to his estate and his relation to the community at large. With these things in mind the successful underwriter will assist the prospect in formulating a life insurance program that will, to the greatest possible extent, cover his needs. This would probably bar any set rule for approach, argument or closing out scheme."

"In this connection no conscientious underwriter will overlook the tremendous advantages of life insurance trusts, when properly safe-guarded, or both short and long term income policies and old age endowments."

"Perhaps more nearly than any other thing does life insurance fill the present day needs of the public. Economic conditions are such that at death of any bread winner his loved ones must face either a cosy future, safe-guarded by carefully built estates and buttressed by comfortable life insurance provisions, or else the bleak uncertainty of being charges upon unwilling relatives or public almshouses. The two last eventual-

ties are too repulsive to consider, and yet, judging by the indifference displayed by a considerable number of bread winners, a good many families are going to face those conditions at some unfortunate future day.

"The pity of it is that the public has never yet come to fully realize the tremendous advantages of the institution of life insurance as it should. That is one of the problems of the life underwriter now. It is part of his work. He can best accomplish it by taking his part in his community life and constantly mixing and mingling with his people. When he has accomplished it he will have no trouble in finding all the business he wants."

Need to Practice Preaching

"It is sad to state, but nevertheless true, that many insurance men themselves do not practice what they preach to the extent that they should. Some of these days the widows of life insur-

ance men are going to form a 'Might Have Been Club' and erect some suitable monuments to the memories of their husbands. The inscription on these monuments probably will be 'Others he insured—as for his family he didn't give a hang.'

"In every store, shop and factory, along the highways and byways of our marts of trade there are thousands of men and hundreds of women standing particularly in need of the services afforded by the institution of life insurance. The underwriter who meets and greets a goodly portion of this number renders himself liable to the daily writing of applications and will find during the course of a year that such constant exposure to business has netted him a substantial income, his company a satisfactory volume of business and incidentally he has rendered his community a service no less valuable than rendered by the minister, the lawyer or the doctor."

SOME COMPANIES AND AGENTS USING NOVELTIES WITH FAIR SUCCESS

THE experience of a number of companies and large agencies has been that a discriminating use of novelties in selling life insurance is a decidedly profitable investment. In this connection, however, one must emphasize the word "discriminating," as there is no doubt that a great deal of money can be wasted with very little returns by an unwise use of novelties. It is undoubtedly true that a generous distribution of cheap trinkets has a tendency to cheapen life insurance in the eyes of the prospect, but no better advertising plan

can be found than the really worth while novelties used by some companies.

Book Lead System

Practically every company or agency that makes any use of novelties has developed its own system, and most of them have their merits. One very successful plan is the book lead system, under which the agent sends in to his company a list of 100 names, out of which 20 leads are guaranteed to him on the payment of \$15. The company circularizes the people on this list, offering

BANKERS LIFE INSURANCE COMPANY OF NEBRASKA

Home Office: Lincoln, Nebraska

Assets - - \$23,700,000.00

Chicago, Ill., June 7, 1924.

Bankers Life Insurance Co.,
Lincoln, Nebr.

Gentlemen:—This is to acknowledge the receipt of \$779.49 for cash settlement of my policy No. 15771.

I was offered \$326.88 in cash together with a fully paid up policy of \$1,000.00 paying dividends for life, or I might have taken a fully paid up policy of \$1,722.00 payable to my estate at death, but after due consideration decided to take the full cash value.

Accept my thanks for the promptness in delivering your draft to me on the date on which the policy matures. I appreciate much the courteous treatment I have received from your representative, Mr. Winegar and from you.

I will always recommend the Bankers Life Insurance Company to those who ought to be interested in life insurance. My one regret is that I did not take a much larger policy from you twenty years ago.

Very truly yours,

HENRY W. HOFFMAN.

TWENTY PAYMENT LIFE POLICY
DEFERRED DIVIDEND
TWENTY YEAR SETTLEMENT
Matured in the
OLD LINE BANKERS LIFE INSURANCE
COMPANY
of Lincoln, Nebraska

Name of Insured..... Henry W. Hoffman
Residence..... Lombard, Ill.
Amount of Policy..... \$1,000.00
Total premiums paid..... 595.00

SETTLEMENT

Total cash paid Mr. Hoffman \$779.49 and
twenty years insurance for nothing.

If interested consult one of our agents or write
Old Line Bankers Life Insurance Co. of Nebraska, 14th and N Streets, Lincoln, Nebr.

The old line

Cedar Rapids Life Insurance Company

of Cedar Rapids, Ia.

Wants General Agents in Iowa, Minn., Neb., So. Dak.

A Good Chance for Reputable Men

THE UNITED STATES LIFE INSURANCE COMPANY

In the City of New York
Organized 1859 Non-Participating Policies Only
Over 70 Years of Service to Policyholders

Good territory for personal producers, under direct contract.

HOME OFFICE

106-107 Fifth Avenue New York City

DIRECTORY OF LIFE INSURANCE

ILLINOIS

WYMAN & PALMER

General Agents for Illinois
BERKSHIRE LIFE INS. CO.
of Pittsfield, Mass.
105 So. La Salle
CHICAGO, ILLINOIS



AT SPRINGFIELD, ILLINOIS

He is a man well above the majority in personal production, financial responsibility, and social position. He is capable of earning from \$12,000 to \$25,000 per year, and is a good organizer of men.

This is an unusual opportunity for him in this hustling, bustling city of Illinois; and we will help him develop it!

Our company has over \$125,000,000 of insurance in force; our ratio of assets to liabilities is greater than that of any other large company in the same field; our policies have new selling features and settlement provisions not yet issued by any other company.

We will give this man a contract direct with the home office, providing for a liberal first year commission, a renewal commission, an office allowance, a collection fee and a business-development allowance.

Perhaps YOU are the man we want! If so, write to us. Address, J-79, c/o National Underwriter.

NOTE: We also have an unusually attractive, special contract for good salesmen whose experience is limited.

them free of charge a neat leather loose leaf memorandum book, and asking only permission to let an agent call to explain the life income plan. Excellent results have been secured by this system, and the agents find that the payment of \$15 to guarantee 20 leads is an economical method of securing live prospects.

Attractive Novelties Used

A prominent agency in a large city specializes upon the use of high grade novelties, used with present policyholders. New types are continually being used, but all of an expensive make. A great many inquiries have been secured from the use of such articles as attractive ash trays, hand forged screw drivers bearing the agency's name, and numerous others. This agency also uses blotters, but like everything else, they must be out of the ordinary. Following a fire in a large garage in the city in which more than 100 automobiles were destroyed, this agency secured some excellent views of the mass of twisted wreckage and had them printed on blotters with a short account of the disaster. Blotters of this type inevitably attract attention far more than the average advertising blotter which one may keep on his desk and use continually without noticing the name of the advertiser.

Open the Way for Approach

As a rule novelties are more extensively used for fire and automobile insurance than for life insurance. Most life insurance producers think that novelties cheapen the business. They believe that life insurance will appeal on its own merits, without the use of attractive bait to secure attention. Novelties used with prospects may sometimes make an opening for canvassing, but a great many salesmen maintain that any salesman worthy of the name is able to make his own opening, and that the use of novelties is a sign of weakness.

Stub Pencil Was Used

One rural agent, however, secured a large volume of business through a novelty of his own invention. He had noticed that farmers who came into town always wanted a stub pencil to carry around with them in their work. Golfers and sportsmen also seem to prefer a stub pencil. Acting upon this, he secured a large number of specially made stub pencils, stamped with his name and slogan. These very soon became extremely popular, bringing many people to his office to secure pencils, from many of whom he secured applications.

Special Attention to Novelties

One life company is so thoroughly convinced of the value of novelties that it has established a business building department to work out and handle a complete system of novelties. A large line has been developed, including blotters, pencils, match cases, card cases, and note books of various sizes. These are given to agents on the basis of production, and thus form an incentive to higher production, as well as secure prospects. The agent who pays up at least three cases with premiums amounting to \$500 or more in one month, providing the cases have been written within 60 days is credited with one point for each dollar of premiums. These points count in paying for novelties at certain rates, as four points for a pencil, or one point for a blotter. The agent's name is printed on the pencil if a sufficient number is ordered.

Policyholders Are Canvassed

This company follows up its policyholders' month, during which each receives a neat leather card case delivered personally by the agent, who tries to render any service that may be desired and incidentally pick up new business. This company uses nothing cheap or ordinary for this purpose.

One of the most appreciated gifts to new policyholders is a neat leather wallet to contain their policies. These are rather expensive, but it has been found that the policyholder appreciates them.

Moreover, every time he opens his safety deposit box, or looks at his policy, he will be reminded of the agent who sold him the policy. This has been found an excellent method for securing the future business of the policyholder.

COMMISSIONERS ARE IN SESSION AT SEATTLE

(CONTINUED FROM PAGE 1)

A communication was received from Thomas B. Donaldson, former Pennsylvania commissioner and former president of the convention, calling attention to the double taxation on companies writing reinsurance only and submitting a suggested form of statute which would provide that reinsurance companies might operate in a state without being formally admitted, if already licensed in at least one state having equal requirements, that the direct writing companies should pay taxes on business reinsured if such companies and be credited with the reserves on that business. It also went over without action.

Letter from Mrs. Harding

A letter was read from Mrs. Florence K. Harding thanking the convention for its memorial presented to her following the death of the late President Harding. J. P. Daugherty, superintendent of insurance of British Columbia, was introduced by President Fishback and on motion was granted all the privileges of the convention.

The only address on Wednesday's program was one by Commissioner Will Moore of Oregon on "Is Receiving Dividends of the Stock of a Brokerage Corporation by Assureds Rebating Within the Meaning of the Law?" The session adjourned at 11 o'clock to permit the commissioners and their guests to take the trip to Mount Rainier. They will return Thursday night and hold the concluding session of the meeting Friday.

Entertainment features in addition to the Rainier trip included a visit to the liner "President Grant" Wednesday morning, an automobile trip over the city, dinner at the Yacht Club Wednesday evening and a boat tour of the water front canal and locks Friday.

Discuss "Non-Can" Resident Agents

Commissioner Dunham of Connecticut reviewed the question of reserves for total disability in life insurance and for noncancellable accident and health insurance. He showed why Hunter's tables commonly used in connection with the writing of permanent disability are not applicable under the practices now followed which have changed greatly in recent years. He said a new table was needed but questioned whether there was as yet enough experience for its preparation.

Commissioner Scott of Texas in a brief discussion of "How Can the Evasion of the Resident Agent Laws Be Remedied?" held that writing by unauthorized companies could be regulated if each state would require its own companies to comply with the laws of all other states. He thought practically all commissioners had this power if they only use it.

Many Notables Present

Company men and organization officials present include: T. W. Blackburn, American Life Convention; Job E. Hedges and F. G. Dunham, Life Presidents Association; James V. Barry, Metropolitan; W. T. Grant, E. J. Montague, Business Men's Assurance; Robert J. Giles, Occidental, Los Angeles; Harry R. Cunningham, Montana Life; W. H. Pierson and A. E. Tuck, New York Life; W. J. Bryden, Victory Life of Topeka; Bruce Young, North American of Omaha; Miles Schaeffer, Empire Life of Kansas City; R. M. Malpas, Reinsurance Life; C. S. Samuel, Oregon Life; E. J. O'Shea, Russell C. Burton and John Cadigan Jr., New World; H. F. Tyrrell, Northwestern Mutual; C. W. Fairchild, Mountain States; Allen BroSmith, Travelers; C. C. Criss, Mutual Benefit & Accident; Jesse S. Phil-

lips and Clarence W. Hobbs, National Council on Compensation Insurance; John Marshall, Firemans Fund; Professor S. S. Huebner; Thos. C. Moffat, chairman executive committee, National Association of Insurance Agents; A. C. Savage, Royal Union; Manton Maverick, Continental Casualty; G. E. Merigold, Prudential; J. D. Craig, Metropolitan Life; J. G. Maher, Old Line Life of Lincoln; A. I. Vorys, Columbus, O.

Give the policyholder the first chance to take out additional life insurance when a new policy is devised—Don't neglect him simply because he was insured last year.

HOME LIFE INSURANCE CO

New York

ETHELBERT IDE LOW, President

The 64th Annual Report shows:

Premiums received during the year 1923	\$ 7,444,458
Payments to Policyholders and their Beneficiaries in Death Claims, Endowments, Dividends, etc.	5,871,544
Increase in Assets	2,461,507
Actual Mortality 56% of the amount expected.	
Insurance in Force	247,373,210
Admitted Assets	48,656,123

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of the business written by some of our larger agencies is a direct result of the Fidelity lead service. Our agents interview interested prospects—people who have written the Head Office for information.

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Only high-type men and women can obtain contract to represent this company.

Open territory in Ohio and Minnesota. Interesting General Agent's contract direct with Company backed by real co-operation.

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Knights of The Needy!

IN THESE AFFLUENT TIMES when so much is being said and printed about million-dollar policies taken for the purpose of paying estate and inheritance taxes on great fortunes, it is well for us to lower our eyes once in a while and observe the blessings brought to those in humble walks of life by those lowly full-time and part-time life insurance advocates who toil day in and day out among those prospects to whom the premium on even \$1,000 of life insurance means some personal sacrifice.

Do you think that the story of Mr. Million Bucks, who recently passed away, and who by carrying several millions of life insurance saved his estate from being "gypped" by Uncle Sam to the tune of two millions of dollars, impresses the advantages and the solemnity of life insurance upon the heart and mind of Mr. Average Citizen as profoundly and reverently as does this letter from a little girl whose father left her only \$1,000 of life insurance?

Morris & Plunkett, District Managers
Illinois Life Insurance Co.
Viola, Illinois

Kewanee, Illinois,
February 22, 1924

Gentlemen:

I received your letter telling me that you paid my guardian \$1,000 on the life insurance policy carried by my father who died a short time ago. I am more grateful than I can tell you, as this money will not only be a great help to me but to my mother, as without it, I would be dependent upon her entirely. She works every day and we live with my grandmother who is not at all well.

For many months just past I have been crippled. I broke my ankle and tuberculosis set in the bone, so for a long time I had my foot in the cast and had to use crutches. The last six months I have been wearing a brace and going to school. Now the doctor says my foot is cured but I will have to be careful always, so I want a good education and the money will help my mother to send me through school.

Yours very truly,

P. S. Many thanks to you.

(Signed) Miss Irene Bell Wallace.

KNIGHTS OF THE NEEDY! Indeed they are, those splendid men who strive in season and out of season to insure those humble fathers and mothers, the payment to whose children of one thousand dollars of life insurance money means more to the heart and security of America than all the million-dollar life insurance payments that have or ever shall be made to the beneficiaries of millionaires.

The Illinois Life operates in only seven states, Illinois, Indiana, Kansas, Michigan, Missouri, Oklahoma and Georgia.

We are not seeking representatives from the organizations of other companies, and we do not accept any brokerage business, therefore, this advertisement is published solely for the encouragement of those men who may sometimes feel that because they do not write large policies they are not of much value in the life insurance world.

Illinois Life Insurance Company **CHICAGO**

JAMES W. STEVENS, Founder

GREATEST ILLINOIS COMPANY

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SUCCESS

IN A LARGE WAY, is assured by adding GROUP INSURANCE to your regular selling program.

GROUP INSURANCE continues to increase in popular favor with amazing rapidity, offering a protection that is far reaching in its benefits. It spells prestige and publicity to the agent that cannot be purchased at any price.

This new feature has recently been added to our already exceptionally attractive line of policy contracts, thereby completing the cycle of CONTINENTAL SERVICE and materially increasing the opportunities of our representatives.

Liberal commissions and unexcelled facilities for handling group coverage on concerns with as low as ten employees, makes this part of our service particularly interesting to new agents.

Continental Life Insurance Company

SAINT LOUIS, MISSOURI

EDMUND P. MELSON, President

P. M. HARPER, Vice-President

Address communications to the Agency Department